

YOUR BENEFITS

Reduced Chargebacks

Reduces the number of transaction disputes and chargeback rates as it protects the merchant against cardholders denying making the purchase.

Easy to Use

Can be easily integrated in any electronic transaction request.

Reduced Fraud

Prevents the use of a card in CNP transactions, if the person does not know the cardholder's billing address.

Real-Time

Matches address information within seconds.

Increased Sales

Offers merchants higher confidence in the authenticity of the cardholder so they are likely to accept cross-border CNP transactions.

Fast and Informed Decisions

Allows merchants to make better decisions more efficiently and faster.

Address Verification Service

Address verification is a widely used instrument to screen and curb fraud in card-not-present (CNP) transactions. Supported by VISA (US & UK), MasterCard (US & UKDM) and Amex (worldwide), AVS has become a basic fraud prevention tool for e-commerce and phone orders. It can be deployed in domestic and cross-border transactions and matches the address information provided by the cardholder at the time of the purchase with the card billing address held by the card issuing bank.

Address Information

An address is more than a postal destination. It helps merchants authenticate a cardholder and lets them decide whether to accept or reject an order. When a customer places an online or telephone order with his credit card, the merchant usually has no way of telling if the customer is the legitimate cardholder. After all, the card could be stolen or the number copied illegally. To stop criminals, AVS requires that customers include in the order the postal address to which the issuer sends the monthly card statement. If the address does not match the address information the card issuer has on file, the merchant can choose to reject or proceed with the transaction.

Know your Customer

AVS can stop fraudsters. It is highly recommended for every authorisation request and can be combined with additional risk checks (CVC2/CVV2 or 3D Secure). It helps merchants reduce chargeback risks, even with loyal customers. Merchants may recognize a customer by name and card number, but without AVS they are unaware if the card is used by the authorised cardholder. AVS cuts your financial losses and reduces your fraud-related chargeback performance and processing costs.

Fast Decisions

Depending on your preferred processing mode, AVS checking can be performed in real-time or as scheduled batch process. Either way, a response message with the determined AVS result code is returned promptly - all in a few seconds. But even if an address or parts of an address are not matched correctly the authorisation is still processed.

AVS results codes are merely advising merchants of a matching or mismatching address. Wirecard does not reject a transaction on the basis of a negative result code.

TERMS EXPLAINED

Acquirer

A bank licensed by a card organisation to accept card payments.

Billing Address

The postal address of cardholder to which the card issuing bank sends the credit card statement.

Chargeback

A transaction returned by the card issuer to the acquirer who returns the charges back to the merchant.

CNP

Card-Not-Present: A transaction where neither the card nor the cardholder are present.

CVC2/CVV2

Card Validation Code 2 (Visa)/Card Verification Value 2 (MasterCard). A three-digit security code printed on the back of a credit card.

3D Secure

Authentication process of card payment across three network domains.

Issuer

Financial institution which issues a payment card to the customer (card issuing bank).

UKDM

United Kingdom Domestic Maestro.

XML

eXtensible Markup Language. Human-legible application language designed to carry transaction data in an independent format.

ZIP

Zone Improvement Plan. Referring to the postal zone classified by five numerical digits (ZIP code).

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More Information

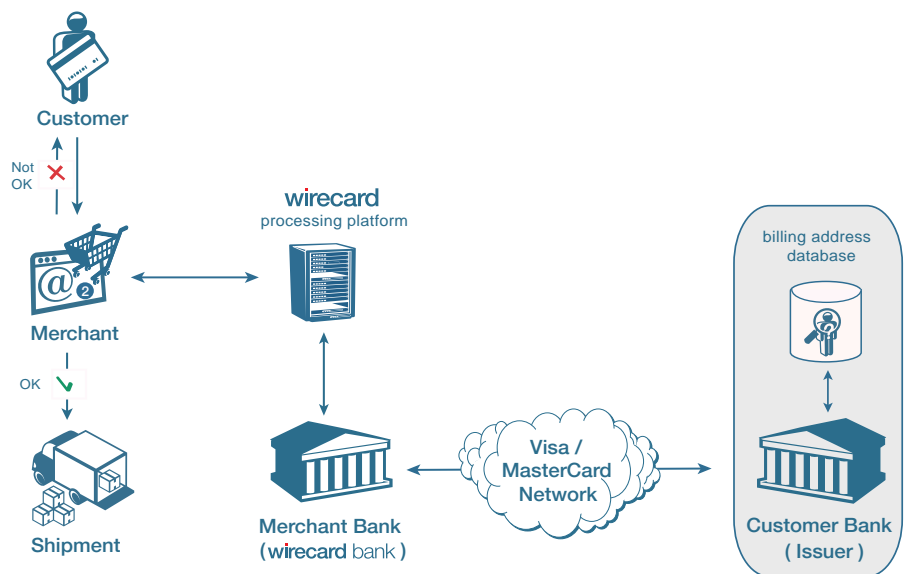
If you are interested in additional information, please visit our website www.wirecard.com or email us at sales@wirecard.com.

Verification Result Codes

An AVS check returns a single character code indicating the card issuer's match result with the billing address provided by the cardholder. Matching results are returned by Wirecard Bank at five levels: "F" for "full match," "P" for partial match, "N" for "no match", "U" for AVS unavailable and "E" for "error".

How AVS works

The following illustrates a CNP transaction with AVS check from the point at which the cardholder places his order.



Step by Step

1. The customer places an order with his payment card and shipping address.
2. The merchant system records the card details and asks the customer for his billing address, including city, ZIP code and street where the customer's monthly card statement is sent.
3. The merchant posts the authorisation request with the cardholder's billing address to the Wirecard processor.
4. Wirecard validates the XML format of the authorisation request and routes it to the merchant's acquiring bank (e.g. Wirecard Bank).
5. Wirecard Bank contacts the customer's bank (card issuer) via the Visa/MasterCard network.
6. The card issuer compares the address included in the authorisation request with the customer's billing address on file and returns a response message to Wirecard Bank.
7. Wirecard maps the returned Visa or MasterCard result code (level of address matching) to one of five Wirecard codes (F, P, N, U or E) and sends it with the authorisation response message to the merchant.
8. On the basis of the returned result code the merchant can make an informed decision whether to complete a particular order (shipment OK) or reject it (shipment Not OK).