

Counterfeit Fraud Mitigation Tools for Automated Fuel Dispenser Transactions

Fuel Merchants Who Are Not EMV Chip Enabled



For More Information

For more information, contact your acquiring bank, processor or Visa representative.

As merchants in United States enable their payment card acceptance infrastructure for EMV chip technology starting October 1, 2015, counterfeit fraud will increasingly migrate to acceptance segments that have not implemented EMV chip technology, such as automated fuel dispensers (AFDs). This will lead to counterfeit fraud chargeback liability for fuel merchants if AFD EMV chip acceptance enablement is not completed by October 1, 2017.

Here are three tools that should be implemented now to help reduce counterfeit fraud on AFD transactions.

Visa Transaction Advisor (VTA)

Visa Transaction Advisor utilizes Visa's extensive transaction data and sophisticated risk scoring capabilities to provide a real-time transaction risk assessment for AFD transactions. Visa's access to transaction information across merchant categories and merchant brands creates robust fraud risk analysis.

For participating merchants and acquirers, each Visa AFD transaction is automatically reviewed, and those identified as higher risk will prompt the customer to go inside to complete the fuel purchase transaction.

Fraudsters are more likely to redirect their efforts away from protected merchant locations. This fraud management solution operates invisibly to the cardholder to ensure a positive customer experience. Visa Transaction Advisor also leverages existing payment processes, thus requiring minimal or no new investments in infrastructure changes



Address Verification Service (AVS)

Address Verification Service verifies the billing statement postal code of the customer who is paying with a Visa card at an AFD. The postal code is included in the authorization request message to Visa.

The response message back will contain an AVS result code (separate from the authorization response code) that indicates whether the postal code given by the cardholder matches the postal code on file with the card issuer.



IF:	THEN:
There is a "no match" response	It may indicate fraud
The cardholder does not correctly input his/her current billing statement postal code within two attempts	He/she should be instructed to go inside to complete the fuel purchase transaction

Currently, AVS can only be used to confirm postal codes for Visa cards issued in the United States and Canada.

Canadian Postal Codes

Canadian customers who travel to the U.S. can participate in AVS when prompted for a 5-digit numeric ZIP code at the pump, by doing the following:

Take the three numbers from the Canadian postal code.	Add two zeros to the end.	This is the number a Canadian cardholder can use when asked for a U.S. ZIP code.
FOR EXAMPLE:		
A2B 3C4	+	00
		23400

Velocity Checking

Velocity checking monitors the frequency of transactions on the same card. Visa recommends maintaining velocity checking programs that monitor card usage by each location as well as across all locations for the merchant brand.

Two-and-In

The "Two-and-In" strategy is a good policy to apply for velocity checking. It works as follows: Two AFD transactions for the same account number within a 24-hour period at the same location, or across the brand, will cause the third attempt to be directed into the store to complete the fuel purchase transaction.

