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**Jim Contardi,**  
Senior Vice President,  
Retail Solutions, Prepaid

Economic turmoil often results in the unexpected emergence of alternative payment instruments. The current recession and subsequent changes in consumer spending habits have led to a rapid increase in the popularity of branded prepaid general purpose reloadable (GPR) cards. Unlike conventional prepaid cards, prepaid GPR cards allow customers to reload the cards with additional funds and even set up direct deposits to the cards. These features make the cards especially appealing to unbanked and underbanked consumers who may be finding it increasingly difficult to gain access to traditional credit and debit products.

Because of the rising usage of prepaid GPR cards, more and more merchants are making them part of their prepaid product portfolios. However, merchants evaluating prospective GPR card programs (or reassessing their current offering) should be aware that all programs are not created equal. In addition to comparing the design, scalability and reliability of prepaid GPR card programs, merchants must carefully consider issues of security and compliance.

First Data's new white paper, *Selecting a Secure and Compliant Prepaid Reloadable Card Program*, examines the fundamental compliance questions that merchants must ask before they launch a prepaid GPR card program.

By partnering with an experienced provider, merchants can confidently offer their customers a flexible product with a compelling combination of security, value and convenience. For example, *Urban Bank and Trust Holding Inc.*, believes that by partnering with First Data with "proven experience in the marketplace" they are providing "benefits to businesses and consumers alike."

And the *Direct Selling Association*, the national trade association of firms that manufacture and distribute goods and services sold directly to consumers, recently endorsed First Data's *Money Network™* as the electronic commission payment distribution service of choice for its member companies. There are more than 15 million direct sellers in the United States, and more than 20 companies are members of the Direct Selling Association. [Learn more.](#)

## Understanding the True Costs of Fraud

Fraud, in the form of cyber crime, security breaches, identity theft and others, is more dangerous to your organization than you think and treating it simply as a cost of doing business may be emboldening criminals and losing your customers. A recent Javelin Strategy and Research study revealed that more than 30 percent of people affected by a data breach will terminate their relationship with the company that lost their information. The study also showed consumers equally blame both their financial institution and the retailer that experienced the breach. In the consumers' minds, responsibility is assigned at both ends of the transaction—an important part of the cost calculation often ignored by businesses.

## First Data Related Events

→ April 5-8, 2009  
NACHA Payments Conference  
[read more](#)

First Data at NACHA  
[read more](#)

→ April 26-30, 2009  
2009 Open Solutions Client  
Conference and Solutions Expo  
[read more](#)

## Upcoming UDAP Webinars

→ April 30, 2009  
10:00CT - 11:30CT  
[click here to register](#)

The ubiquity of electronic payment transactions and the emergence of a global e-commerce economy offer criminals lots of opportunity to perpetrate fraud. Many criminals are emboldened by the anonymity of their actions, by businesses' failure to recognize the many potential avenues for fraud, and by the widespread acceptance of fraud as just another business expense. First Data's new white paper, *Now You See It, Now You Don't: A Review of Fraud Costs and Trends*, explores how and why fraud happens, and provides insight into the deeper elements of fraud and its repercussions. It also provides guidance on how to design a fraud prevention and detection program to better protect your customers and help grow your business.

## Managing Risk within the Consumer Credit Cycle

Last month we shared with you *First Data's One-to-One Customer Risk Management* and introduced you to the idea of taking already-proven risk management tactics and combining them with advanced analytics, personalized marketing and directed customer communications at each phase of the credit life cycle to help you minimize defaults while retaining your most profitable customers. The paper offered you insight into some of the best practices necessary to ride out the current economic crisis and emerge better situated for future success.

Building on that concept, we would like to share with you, *First Data's One-to-One Customer Risk Management Solution*, an article designed to help you with data evaluation, addressing at-risk accounts, what to look for in the application process and other risk issues prevalent in today's unstable credit climate. We'll also offer First Data tools and services that can help you manage the day-to-day issues of this credit crisis.

## Getting from A to Z—Ensuring UDAP Compliance

With final rules amending Regulations Z, AA (UDAP) and DD approved on December 18, 2008, First Data initiated a program to define and implement the remediation required to meet the federal requirements. As part of our commitment to keep you informed of critical information impacting your credit and debit card business relationship with First Data, we produced a three-part webinar series to help you understand the regulatory changes and how they may affect you and your processing systems.

The final webinar in the series is scheduled to take place on April 30, 2009. Register [online](#) now to take part. You can view the [archived webinars](#) as well as a list of [Frequently Asked Questions \(FAQs\)](#) online. To view the archived webinars, you will need to enter your user name and password to login to the [client site](#). Internet banking customers can find the recording on the support site. STAR customers, please check STAR STATION. Having trouble logging in? E-mail [udap@firstdata.com](mailto:udap@firstdata.com).

## Are You Ready for the Race for DDAs?

The national banking arena is seeing customers moving their money in search of banking stability. Who will win the business of these customers on the move? A recent study by Javelin Strategy and Research says it will be the banks and credit unions that land the customer's primary account, aka the account a customer uses for online banking and bill pay. But, in order to attract these customers, community FIs must offer a premium Internet banking solution with the same conveniences and perks as national institutions offer. Is your Internet banking solution up to the challenge?

Now is an excellent time to take a look at your current Internet Banking (IB) provider and make sure you have everything it takes to compete and win in the race for DDAs. And with UDAP regulation deadlines just around the corner, you'll probably be conducting a thorough assessment anyway. Read our white paper *Is Your Internet Banking Provider Costing You Customers?* and learn how to evaluate your current IB solution and how to easily convert your solution to a new provider if you find your current provider doesn't stack up.

## Turning a Mobile Phone into an Electronic Wallet—It Takes a Village

In January, Barry McCarthy, General Manager, Mobile Commerce and Point of Sale, discussed how consumers soon may manage all their accounts from a single mobile device. Currently, there's no single entity that can reasonably facilitate that function for users, which is why McCarthy discussed a new kind of account provisioning role called Trusted Services Manager (TSM). The function has yet to be fully defined and will likely require various constituents from various industries to partner for success.

The fifth and final installment of First Data's mobile commerce white paper series, *Trusted Services Management: The Key to Accelerating Mobile Commerce*, identifies the goals and addresses the challenges of the TSM role from defining how to get account information onto mobile devices to ensuring consumers have the broadest possible purchasing power and access to their electronic accounts. We also take a look at who might be best suited to fulfill the TSM role. The ability to provision a mobile device to access multiple accounts is a complex issue, and TSM can make the concept of electronic wallets a reality.

Earlier papers in our mobile commerce series can be found in the [First Data white paper library](#), including *Mobile Account Management: The Mobile Commerce Enabler*, *The Risks and Opportunities in a Mobile Commerce Economy*, *Mobile Payment: The Linchpin of Mobile Commerce Economy* and *Going Direct with Mobile Marketing*.

Barry also shares insight into additional innovations in the mobile payments arena in a recent *American Banker* article titled, *The Future of Payments Is Anything But Flat*.

## Improve Efficiency of Walk-in Payments

Surprisingly, walk-in payments, which represent 4-6% of recurring bill payment volume, are growing based on the increase in unbanked and underbanked consumers. For billers who receive a high volume of walk-in check payments at their company locations, there are challenges. Many times, these walk-in payments are re-shipped to a company's lockbox processing site, which creates added delays, risks and costs. Depending on the biller vertical, incremental costs related to walk-in payments can really add up. Mercator estimates that each walk-in check payment can cost around \$1.50, which is exponentially higher than the cost of mail-in check processing. In our new white paper, *Remote Payment Capture Lockbox Competitor or Extension?*, we provide real-life examples of how companies can embrace the growing trend of walk-in payments without the added costs by employing remote-capture technologies linked to current lockbox workflows.

## Get Plugged Into Training Opportunities

Debit/STAR STATION Clients  
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Internet Banking Clients  
[Introducing New Web-based Training Courses](#)

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to hear your thoughts

## STAR<sup>®</sup> Network Adds Expedited Transfers

STAR Network members can now offer their customers account-to-account and person-to-person external transfers via the real-time STAR Network. Transfers can be initiated via the online banking service, as well as VRU, ATM or mobile channels.

STAR Expedited Transfers can enhance your online banking offering by providing customers the added convenience of the ability to transfer funds between their account and another STAR Member financial institution. Plus, expedited transfers are considerably faster than ACH or paper check, and customers receive immediate approval and confirmation of funds moved.

[Learn more](#) about the STAR Expedited Transfer Service.

