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## First Data Related Events

- October 4 – 7, 2009  
AFP Annual Conference  
[Register for this event](#)

## Managing the Cost of PCI Compliance

By Barbara Marx

Senior Vice President, Interchange Compliance

The drive to protect sensitive cardholder data is vital and relentless. First Data actively works to recognize increasingly sophisticated emerging fraud threats and help educate our customers and others in the industry on the necessity of continually improving their data security techniques. In order to limit vulnerabilities and encourage the development of stronger security processes, various industry security requirements exist—and achieving compliance with these can be complicated.

From our experience talking to First Data customers large and small, it's clear that the challenge of complying with the PCI Data Security Standard (PCI DSS) is universal. Since 2006, when the Payment Card Industry Security Standards Council (PCI SSC) began imposing stringent requirements concerning the security of handling and storing sensitive cardholder data, **merchants have collectively spent in excess of \$1 billion\* on compliance** with the PCI DSS as part of their security programs and Financial Institutions are investing significant amounts as well.

Maintaining PCI compliance is a continuous process that requires constant vigilance and ongoing costs. After all, the **penalties for noncompliance can be severe**, including the merchant's loss of the ability to accept credit card payments and being audited and/or fined. everyone benefits when the PCI guidelines are met and action is taken to safeguard the customer's card information. A data breach can impact more than just a merchant's business—it can slowly destroy consumers' confidence as it relates to electronic payments overall.

So how is First Data helping merchants stay compliant while reducing their burden at the same time? The white paper, *PCI and Handling Sensitive Cardholder Data—Why You Care*, was designed to address these issues.

Within its pages you'll find:

- What Is PCI DSS?
- Increasing Threats and Costs: Obstacles to Secure Transaction Processing
- Containing—and Reducing—the Burden of PCI DSS



\*Letter to Bob Russo of the PCI Security Standards Council from the National Retail Federation, et. al., June 9, 2009.

## Upcoming Webinars

- [Unmasking the Identity Thieves](#)  
Tuesday, August 4, 2009  
2:00 p.m. EDT  
[Register Now](#)
- [Preparation Strategies for New Credit Requirements](#)  
Thursday, August 13, 2009  
10:00–11:30 a.m. CDT  
[Register Now](#)

## Get Plugged Into Training Opportunities

Debit/STAR STATION Clients  
Coming this summer: [New and Improved Client Training and Documentation Site](#)

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Credit Clients  
[New Fraud Management Training Resources Released](#)

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Internet Banking Clients  
[New Web-Based Training Courses](#)

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## Continued Trend Toward Lockbox Outsourcing: Citi Signs Agreement With First Data

With mail-in payments expected to drop by 2.5 billion items, or 25 percent by 2012, how will this situation impact your in-house processing operation? Can you justify new investments in processing infrastructure? How will you manage the cost per item as volumes shrink?

For Citi, one of the largest financial institutions and retail account aggregators in the United States, the answer is outsourcing. Under a new agreement, First Data will provide retail, wholesale and whole-tail lockbox services to Citi clients, enabling them to provide greater scalability and meet the growing sophistication of clients' needs despite declining overall check volumes. Through this agreement, First Data is able to expand its geographic footprint for remittance and lockbox services, particularly in the Midwest, which will benefit existing and future clients in terms of transportation costs and speed. [Read the full press release for more information on Citi's lockbox outsourcing decision.](#)

Due to decreasing payment volumes, increased credit pressure and the recent upheaval in the banking industry, many banks have found that **outsourced lockbox operations are a better strategic fit** for their businesses. With continued economic pressures and increased industry consolidation, it is anticipated that many more banks and corporate billers will be looking at the outsourcing trend in the near future. First Data's white paper, *Bill Payment Trends: Major Shifts in Consumer Behavior Require Comprehensive Planning*, provides additional insight into the trends shaping bill payments.

## Stopping Account Takeover: Are Your Customers Who They Say They Are?

Identity theft is one of the fastest growing crimes in the United States, affecting almost 10 million victims in 2008.\* Many of these thefts occur through an "account takeover": The fraudster uses a victim's personal information to gain access to accounts or open new ones.

### New solutions to protect your customers

Most account takeovers begin with a change of address. That's why it's important for you to pay special attention to address changes, but in a way that's efficient and affordable.

When you [register for our free online webinar](#), scheduled for August 4, 2009, you'll discover new developments in advanced authentication solutions from First Data that protect your customers, provide added confidence and security—and cut your administrative costs, too!

\*Source: 2009 Identity Fraud Survey Report. Javelin Strategy & Research.

## Stay Connected

Request more information about [First Data products and solutions for your business](#)

[Sign up to receive future editions of First Data VantagePoint news](#)

[Give us feedback. We'd love to hear your thoughts](#)

## Increase Debit Card Usage by an Average of 20 Percent

Statistics show that debit loyalty programs work. Recent studies reveal **debit card usage increases by an average of 20 percent for cards tied to loyalty programs** versus cards not associated with loyalty programs. If you're hesitant to implement a debit loyalty program due to the cost and effort involved, it's time to take another look. Implementing a loyalty program that includes your debit accounts as well as your other accounts has never been easier and more cost-effective. First Data's new [ReadyLift Loyalty](#) solution includes everything you need:

- A complete solution supporting the most critical activities—base program, merchant-funded rewards, rewards fulfillment and communication
- A launch-ready program implementation and project management by First Data that reduces the amount of resources required
- Cardholder and transaction segmentation to create targeted programs
- Flexible reward options, including points, cash rebates and more

## Customers Customize Their Way to Nearly Double-Digit Growth in Monthly Activation Rates

**Choices motivate customers.** Research by a top 100 financial institution confirms that when customers chose their own card design, monthly card activation rates rose from 28 percent to 34 percent and card transactions increased by more than 16 percent.

**Realize the uplift in activation and transactions by adding innovation and excitement to your card program.** [Consumer Choice Card Collection](#)<sup>™</sup> lets card issuers offer their customers a wide range of personalized card design options without the cost of a custom card.

## IRS Merchants' Transaction Reporting Requirements Tasks Ahead of Schedule

Since our first communication about the new [IRS Merchants' Transaction Reporting Requirements](#) in April 2009, we have made considerable progress in our effort to ensure that we are compliant, and to help our customers understand their needs and responsibilities as they relate to the new regulations that take effect January 1, 2011.

We are slightly ahead of schedule for **key tasks**. We will continue to provide regular communications regarding timelines, expected milestones and client-impact assessments. In addition, **look for forthcoming First Data sponsored webinars and client Web sites for additional information.**

