



# Automated Fuel Dispenser Fraud Mitigation Strategies for long-term risk management



## For More Information

Contact your acquirer or visit [www.visa.com/merchants](http://www.visa.com/merchants) for more information on Visa solutions.

As payment card fraud continues to be a concern, Visa has launched new initiatives which when combined with existing fraud tools will help mitigate Automated Fuel Dispenser (AFD) fraud. To ensure AFD merchants understand how these initiatives and fraud tools work together Visa has developed a roadmap to help you develop long-term risk management strategies for AFD transactions.

## Why Risk Management Strategies Now?

The very nature of unattended self-service AFD makes it relatively more vulnerable for easy access to fraudulent activity. While in recent years AFD merchants have experienced a reduction in losses from lost/stolen chargebacks and fraud chargebacks AFD merchants still need to be equipped with risk management strategies to reduce long-term fraud risks.

## Fraud Mitigation Tools for AFD Transactions

Visa fraud prevention tools are designed to complement each other and work together as multiple services that can help you better combat fraud.

- Address Verification Service (AVS) verifies the credit card billing address ZIP Code of the customer who is paying with a Visa card. The merchant includes an AVS ZIP request with the AFD transaction authorization and receives a result code (separate from the authorization response code) that indicates whether the address given by the cardholder matches the address in the issuer's file. A partial or no-match response may indicate an elevated fraud risk. Recently AVS was enhanced to support Canadian cardholders at U.S. AFDs.
- Visa Transaction Advisor (VTA) helps U.S. fuel retailers prevent credit and debit card fraud at the pump with intelligent analytics that identify higher-risk transactions regardless of where the card was issued. Building on Visa's predictive analytics capabilities, VTA provides fuel merchants with more intelligence to deter fraud and improve their bottom line. Merchants use real-time authorization risk scores to identify transactions that could involve lost, stolen or counterfeit cards— all without costly infrastructure upgrades or disruption of the customer experience.

- EMV technology helps reduce the value of stolen data. Global market migrations to EMV have proven that chip technology is an effective tool in combatting counterfeit fraud. By updating point-of-sale (POS) systems to accept contact chip payments, merchants are taking the necessary steps to be ready for the EMV liability shift which will be instituted in the U.S. starting 1 October 2015 for in-station transactions and 1 October 2017 for AFD transactions. With chip acceptance at AFDs, merchants will also benefit by not having liability for lost and stolen fraud for only chip-on-chip (contact or contactless) transactions regardless of the cardholder verification method used.
- In the future, as they become available, new technologies will be developed and deployed to further help mitigate AFD fraud.

## AFD Fraud Mitigation Roadmap

To help ensure that AFD fraud is optimally managed by AFD merchants, Visa recommends using the following roadmap in the next 5 years:

- AFDs should transition to EMV contact chip acceptance expeditiously. Chip cards at EMV accepting AFDs immediately protect merchants from any fraud liability.
- Continue to increase AVS penetration as it helps to mitigate counterfeit and lost and stolen fraud and serves as a bridge to offset any delays in EMV chip acceptance implementation.

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