

# SafeDebit

The secure payment solution for growing Internet-based transactions, minimizing identity theft and maximizing customer loyalty



NYCE Payments Network, LLC





FUTURE STREAM OF INTERNET PURCHASES  
PROVIDE GREAT OPPORTUNITY FOR  
FINANCIAL INSTITUTIONS AND MERCHANTS



**When consumers make online purchases**, they trust a third party with their personal account information. However, 57% of consumers reported they would buy more online if they felt more protected against identity theft.\* That's because shoppers are asking themselves – is this purchase worth the risk of relinquishing this information to just anyone? This translates to a substantial opportunity for financial institutions to increase their interchange revenue and add to their bottom line.

A great deal of uncertainty surrounds Internet purchase transactions. Highly publicized data breaches have added to that uncertainty, giving merchants a poor business reputation and making consumers feel insecure about their private information. Many consumers now see Internet security as weak and fear they could be the next victims of fraud or identity theft. And with today's continuously evolving fraud climate, many of them will be.

### Financial institutions can secure Internet purchases

Financial institutions have the ability to change this consumer apprehension – and reap the rewards. Consumers trust their financial institutions to protect financial information. Adapting this trust into an online payment vehicle may be the key for financial institutions to change perception and become a secure provider of online payments.

### The impact on merchants: increased Internet sales

When financial institutions make online transactions more secure, it creates a greater opportunity for merchants to attract more Internet purchases. Online merchants can open the e-commerce doors to consumers who were reluctant to make purchases via the Internet due to security concerns.

### The SafeDebit transaction

The NYCE SafeDebit solution gives financial institutions and merchants the ability to offer a more secure form of online payment. As a customizable application, our solution allows consumers to initiate secure Internet-based ATM/debit card payments direct from their financial institution accounts. When consumers are ready to make their purchases, they are presented with the SafeDebit payment option. They can then make payments directly from their checking or savings accounts, without relinquishing any of their financial information to the merchant.

Because SafeDebit is a safer payment method, consumers who are typically not comfortable making Internet purchases now enjoy peace of mind and the flexibility to shop confidently. Secure ATM/debit payments also simplify the payment process, freeing consumers from managing their credit card balances.

### Financial institution benefits

For the financial institution, the benefits are evident. They include:

- **A turnkey and secure Internet purchase offering** implemented with no additional hardware setup or requirement to rebrand or reissue debit cards
- **Revenue-generation**, producing more interchange revenue on increased card transactions
- **Attracting new consumers and increasing consumer loyalty**
- **Leveraging the financial institution authentication model**, providing an extra level of security for the consumer utilizing the investment made in online banking
- **Proactive action to combat increases in fraud**
- **Increasing public trust in your financial institution and its payment processes**

\*Javelin Strategy and Research Spending Index, Q3, 2008

**Merchant benefits**

The benefits to merchants can also be astounding, including:

- **Reduced data exposure concerns** because you never receive the consumer’s actual ATM/debit card number, and a PIN is never requested for any transaction
- **Minimizing cardholder fraud and identity theft** because transactions are authenticated through the consumer’s chosen online banking application and are monitored by both the NYCE Network and potentially the issuer’s risk management solutions. This ensures high security and ongoing review of customer authenticity and transaction integrity
- **Reducing overall expense** since the SafeDebit solution offers the ability to leverage the NYCE Network for interchange rates instead of credit and signature debit networks – and with lower risks and losses
- **Attracting new consumers and increasing loyalty** because cardholders feel more comfortable and secure. This increased sense of security creates incremental sales today and tomorrow
- **Authorization, settlement, billing, and adjustments are conducted similar to other network transactions** with the SafeDebit application. NYCE leverages this existing infrastructure for all of these back-office functions, so you can focus on selling

**One step closer to eliminating fraud and identity theft**

The SafeDebit solution is poised to be the “method of choice” for secure Internet payments. Through a single-use virtual card number, any data captured or compromised by the merchant is useless for fraud. Consumer names and personal data are not associated with this virtual card number beyond a single transaction, eliminating the ability to use information for identity theft. As a matter of fact, the consumer’s authentication credentials never leave the financial institution’s secure online banking Web site. NYCE provides one-to-one correspondence between the virtual card number and the consumer’s actual ATM/debit card number.

**How it works**

1. Consumers shop at their favorite merchant.
2. Upon checkout, consumers simply select the SafeDebit payment option.
3. Consumers are directed to their financial institution’s online banking Web site for authentication.
4. Upon successful sign-on SafeDebit generates a pseudo card, and consumers use the autofill option to populate the payment information on the merchant’s check-out site.
5. NYCE receives request for authorization with pseudo card number, obtains approval from issuer using actual card number, and provides response to merchant acquirer.





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