

Issuer Authorization

Best Practices Checklist

COVID-19 pandemic is disrupting people's daily lives, increasing their need to shop online using debit and credit cards. This is why it is important to ensure that the debit portfolio is open to approve Card-Not-Present (CNP) transactions. Approving as many legitimate transactions and declining invalid transactions has never been as critical as today.

Increasing authorization rates can help you improve customer satisfaction, payment volume and the number of transactions.



TOP 10 Actions to Immediately Improve Authorization Rates

VISA everywhere you want to be

- 1. Utilize transaction alerts to notify cardholders for some transactions** (especially for card not present) and communicate low open to buy balance to prevent declines for non-sufficient funds
- 2. Send alerts to communicate to the cardholder** about important changes in the account like: Expiration dates, PINs, etc..
- 3. Review hold periods for authorizations** that did not receive clearing **within 5 days**
- 4. Do not immediately start declining after the expiration month;** allow up to 45 days for the cardholder to transition
- 5. Analyze and optimize the fraud rules based on false positives** and identify those rules that are having a negative impact on the business. Implement **Visa Risk Manager Best Practices** immediately.
- 6. Approve transactions with low Visa Advanced Authorization (VAA) scores** for Card-Not-Present (≤ 20)

TOP 10 Actions to Immediately Improve Authorization Rates

7. Review Credential On-File rules:

Fields to be used to identify COF transactions

- Financial Transaction
- POS Entry Mode (F22.1) in (01,10) &
- POS Environment Code (F126.13) value = C – Credential on File
- Transaction amount <>0

8. Do not decline transactions solely for CVV2 note being present for the following types of transactions: eCommerce, Installments, Recurring and Credential On-File.

For example: Number of lost/stolen cards in last 3 months, months of the account being created, months since last time a cardholder made demographic changes, VAA score, etc.

9. To optimize the approval rate in Account Verification, it is recommended for issuers to evaluate the account verification rules through the following fields:

When a cardholder is registering the account for the first time in a merchant application/web site, issuers can identify these transactions by evaluating the following values:

- POS Entry Mode (F22.1) = 01 and
- POS Condition Code (F25) = 51 – Account Verification and
- POS Environment Code (F126.13) = Null and
- Transaction amount = 0
- MOTO Payment Indicator (F60.8) is not mandated for this type of transactions

For subsequent Account Verification transactions, issuers can identify these transactions by evaluating the following fields:

- POS Entry Mode (F22.1) in (01, 10) and
- POS Condition Code (F25) = 51 – Account Verification and
- POS Environment Code (F126.13) = C – Credential On-File and
- Transaction amount = 0
- MOTO Payment Indicator (F60.8) is not mandated for this type of transactions

10. Review eCommerce rules: Fields to identify these transactions:

Recurrent Payments

- POS Entry Mode (F22.1) in (01, 10) and
- POS Condition Code (F25) = 08 – Recurring/Installment/MOTO
- MOTO Payment Indicator (F60.8) = 02 – Recurring Or
- POS Environment Code (F126.13) = R – Recurring

Installment Payments

- POS Entry Mode (F22.1) in (01, 10) and
- POS Condition Code (F25) = 08 – Recurring/Installment/MOTO
- MOTO Payment Indicator (F60.8) = 03 – Installment Or
- POS Environment Code (F126.13) = R – Installment

eCommerce

- POS Entry Mode (F22.1) in (01, 10) and
- POS Condition Code (F25) = 59 – ECommerce
- MOTO Payment Indicator (F60.8) = in (05 - Authenticated, 06 - Merchant 3DS, 07- Non-Authenticated) Or
- POS Environment Code (F126.13) = C – Credential On-File

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