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Payment Insights
Episode 3: How to Prep Payments for Peak Season

Host: Monica Kennedy, Bank of America

Guest: Anand Ahuja, Bank of America; Jonathan Hallford, Bank of America

Monica:	00:02	Welcome everyone. Merchant Services at Bank of America is happy to host another Payment Insights episode. Today, we're going to dive into Peak Season Preparedness. With our focus on the retail, lodging and food and beverage industries, how can merchants prepare for the high transaction volumes that accompany the US holiday season? To help us outline some quick and easy steps to ensure merchants get the most out of peak season, we have two experts with us today. Anand Ahuja is our Merchant Services Sales Executive focusing on business banking clients. Welcome Anand.
Anand:	00:42	Thanks Monica. I'm happy to be here.
Monica:	00:45	And Jonathan Hallford is a Platform Manager at Bank of America with expertise in helping merchants limit their fraud exposure. Good to have you Jonathan.
Jonathan:	00:56	Hi Monica. Happy to be here. Thank you.
Monica:	00:58	Okay, so let's start with technology and point of sale devices. Anand, how can merchants ensure that their technology is ready to handle high payment volumes in their stores? Where should merchants start?
Anand:	01:12	You know, one of the most important things, Monica is also the simplest: reliable Internet service with appropriate bandwidth. Those are essential. Verifying that your internet speed and bandwidth can accommodate your peak volumes is critical. Consult with your Internet providers and don't forget to connect with your merchant service providers beforehand. We found as an example, our best prepared merchants are those that have consulted and prepared with their service providers before the big holiday surge.

Monica:	01:44	That's great. And what about their terminals or point of sale devices? Anything they should check there?
Anand:	01:52	You know, this is just like your cell phone, Apple phone, Android phone you want to make sure your equipment is up to date and running the latest software. You want to check that all the approved payment methods are running smoothly. When we think about, especially with COVID, contactless is key, so make sure yours is working along with any other payment methods that your customers commonly use.
Monica:	02:15	I think supplies is another good call out. What would you recommend merchants have on hand from a supply standpoint?
Anand:	02:23	Make sure your supplies are in stock and you have enough of them, whether it's register tape, extra devices, handhelds, it's important to have that ordered ahead of time. You don't want to be ordering that at the last minute and hoping that you get it, order that stuff ahead of time and make sure you're prepared.
Monica:	02:41	During the holidays, we also see an increase in gift card sales. How should merchants be prepared for that?
Anand:	02:50	If you do have a gift card program in place as a merchant, similar to supplies, just make sure you have enough gift cards in stock and have your cushion. And if you don't have a gift card program in place, but want to have one for next season, it's great to sign up early. It may be too late for this holiday season, but after this holiday season, if you sign up for your gift card program, you'll have it ready to go for the next peak season.
Monica:	03:16	What happens if a terminal goes down?
Anand:	03:19	You know, Monica, if a terminal goes down, you want to have a backup plan. If a register goes down for whatever reason, make sure that you have a Plan B, especially during the holiday season. Mobile terminals, as an example, make excellent backup options because they're portable. They can facilitate indoor and outdoor sales.

Monica:	03:38	Yeah. And I would also suggest having your Merchant Services provider's 800 number handy as well. They can help you troubleshoot in the event that you have any disruption in service. So, let's shift our focus now to fraud, many merchants experience an uptick and fraudulent transactions during the holidays. So Jonathan, what are some strategies for merchants to safely handle peak season from a fraud standpoint? Let's start with Card Present. How can merchants protect themselves at the point of sale?
Johnathan:	04:15	Very good question, Monica. So in a Card Present environment, fraudsters may leverage the heavier foot traffic within a place of business, as an easier means to perpetrate fraud. Most common type of fraud in card present is simply a stolen credit card being used to purchase the goods or services. There are a few examples, but the common theme to look for is any type of odd or irregular behavior from a customer that you wouldn't typically notice. As a best practice, if you encounter a customer that you feel may be attempting to use a stolen credit card, you can always say, you need to obtain a voice authorization by dialing the 800 number on the back of the customer's credit card. The odds are, if that card is in fact stolen, the customer will probably leave quickly without making the purchase.
Monica:	4:57	What about Card Not Present? What are some best practices or tools for merchants in the e-commerce space?
Johnathan:	5:05	So, in the e-commerce environment, your website shopping cart and your payment gateway provider are your first lines of defense. They offer tools such as velocity filters, address verification services, the employment of a CAPTCHA system, all of these help prevent bot attacks, which can be very costly to merchants.
Anand:	5:25	Jonathan what's a bot attack exactly?
Johnathan:	5:27	Good question, Anand. So a bot is essentially a piece of software that's designed to perform some type of automated or repetitive task. The bot attack is the method in which fraudsters test stolen credit cards by exploiting those e-commerce payment gateway vulnerabilities or

weaker settings. The fraudster simply wants to understand which stolen cards received and approved authorization and which do not. The dollar amount is typically 1 cent, which does not sound like very much. However, the fraudsters may be using some type of emulation software that allows for a very high volume of cards to be attempted within a very short period of time. This can easily cost thousands of dollars in authorization fees for our merchants.

Anand: 6:06

Got it, Jonathan and what's CAPTCHA?

Jonathan: 6:09

So, CAPTCHA is a security feature that can be applied to a website shopping cart that proves that the users are human and not in fact computers. So, if you think about any time that you've gone and made a purchase online, you go through the checkout process, you enter in all your billing and shipping information. You get to the point where you're ready to finalize your purchase. And then sometimes you might have a box that will pop up where you have to click it and says, I'm not a robot. Or maybe there might be a set of tiles that appear, and you have to pick the tiles that have a street crosswalk or a traffic signal. It could even be as simply as being provided a string of numbers and letters in which you have to type those back in correctly. All of those things are proving that you are a human and it prevents bots from emulating transactions through your shopping cart.

Monica: 6:55

Jonathan, are there any other security tools merchants can use?

Jonathan: 6:59

There are Monica. So if we think about the address verification service, this is a system applied to a shopping cart that compares information entered by the individual to that of the credit card. If any of that information does not match, that will result in a decline. And of course, during peak season, we want to get as many sales as we can from the merchant's perspective. However, we also want to make sure that there are declined features in place to prevent bad transactions from risky credit cards. Lastly, we do have velocity filters that essentially identify a velocity of transactions coming from a single place. There are parameters that can be enhanced to prevent that from happening.

Monica: 7:40

That was great conversation. And you provided some very practical advice, Jonathan and Anand. We appreciate your time, the tips and pointers, as well as your expertise on these topics. And thank you to

our listeners. We sincerely hope this episode gave you some ideas for preparing your business for peak season. Thanks again.

Jenny: 8:08