

Guidelines for PIN Transactions

Here are some basic guidelines for chip-card transactions.

Steps to follow at the terminal

Once the card has been inserted, simply follow the prompts on the terminal screen. The terminal will inform you of what to do, whether asking for a PIN or continuing to ask for a signature. During the transition period, some cards that have chips will still ask for signature.

Protocol for inserting the card into the terminal

Establish a policy that will be used consistently at every location. For example, you may want to have the customer hand over the card to be inserted by the cashier into the card reader. Or you may have the customer insert the card themselves.

If a transaction is declined

Procedures for declined transactions are identical for chip and magnetic stripe cards. Transactions are declined for the same reasons, but with chip cards it is simpler for the cashier because the card makes the decision and the instructions are displayed on the terminal.

Assisting customers using chip for the first time

First-time chip-card users may not know what to do. Be prepared to answer questions they may have about the difference between a chip transaction and a magnetic stripe transaction.

Assisting customers using a PIN for the first time

Cardholders who are unaccustomed to using a PIN may be apprehensive for the first few times they pay. If using a PIN, remember the golden rule: cardholders must never tell anyone their PIN. Your customers must enter their own PIN. If they ask you to do it for them, explain that it is not secure for you to do so, and show them how to enter the PIN themselves—using “1, 2, 3, 4” as an example.

Assisting customers who are older or disabled

Offer to assist customers when needed and provide them enough time to complete the transaction without worry. Those with disabilities who may have difficulty with chip and PIN may be issued cards that direct the new terminals to automatically ask for a signature instead.

When customers forget their PIN

Customers can only find out their PIN by contacting their bank. Encourage them to do this, so next time they can use it. Cashiers should consult their managers on how to approach this situation.

Protecting a customer's PIN

PIN pads usually have a built-in shield to protect privacy. Cardholders should not reveal their PIN to anyone during the transaction. Some pads have a flexible wire that lets you pass the pad to the cardholder and they can shield it from view with their body. Be discreet and do not look at customers when they are entering their PIN. Encourage them to further shield the PIN pad with their hand.

Special arrangements for people with disabilities

Make sure customers who are confined to wheelchairs or otherwise have difficulties physically reaching the terminal can access it. For example, consider attaching an extension cable to the PIN pad so that it can be handed to the customer if necessary.

If a cardholder believes their PIN has been compromised

If customers believe someone may have seen them entering their PIN, advise them to change their PIN immediately. They can do so by going to a cash machine or contacting their card issuer.

Coping with a locked PIN

When a cardholder has entered the wrong PIN several times (typically more than three) in a row, the card becomes temporarily disabled or "locked." It may still be possible to accept the card with a signature, and the terminal will indicate if that can be done in each transaction. If not, your customer will need to provide a different form of payment. Advise cardholders whose cards become locked to contact their issuer. Cards always contain issuer contact information on the back.

Refunds

If the original transaction was verified by signature, there is no change to the refund procedure. A purchase verified by PIN will be indicated on the receipt. If you are changing to PIN verification then you will need to agree on whether or not a PIN must be reentered during a refund transaction, and train your staff accordingly.

Voice authorizations and call referrals

Talk to your acquirer and agree to an appropriate voice authorization and call-referral policy.

Adding tips or gratuities

In establishments where tips are paid, such as restaurants, develop a policy to be agreed upon for every location. You may need to have the terminal programmed to prompt for additional payment. Having this discussion early is the key to establishing a solution that works for you.

Accepting magnetic stripe cards

Some cardholders, especially those from other countries, may not yet have chip cards. In order to accommodate them, you can continue to accept these cards in the normal way. Magnetic stripe cards can be accepted at chip terminals as well, so you won't need to maintain two kinds of terminals. Simply follow the standard procedure for magnetic stripe, signature-based, or PIN transactions.