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Electronic Payment Security & PCI Compliance

Essential

Polling Question:

Is your company/team in compliance with PCI regulations?

- Yes
- No
- I don't know

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Polling Question:

Does your team currently take payments over the phone?

- Yes

- No

- I don't know

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Background on PCI

- Payment Card Industry Security Standards Council

- Formed in 2007

- Members include VISA Inc, American Express, Discover Financial Services, JCB International and MasterCard

- PCI Council formed a security standards know as PCI-DSS (Payment Card Industry Data Security Standard)

- Current version is PCI V3.2

- Interested parties can participate in the development of the PCI security standards as a Participating Organization

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PANW 160.58

Electronic Payment Security

Breaches – from malicious hacking, malware, and social engineering attacks – have gone up a mind-boggling <u>500%</u> in the last four years.

229 days is the median length of an attack before detection.
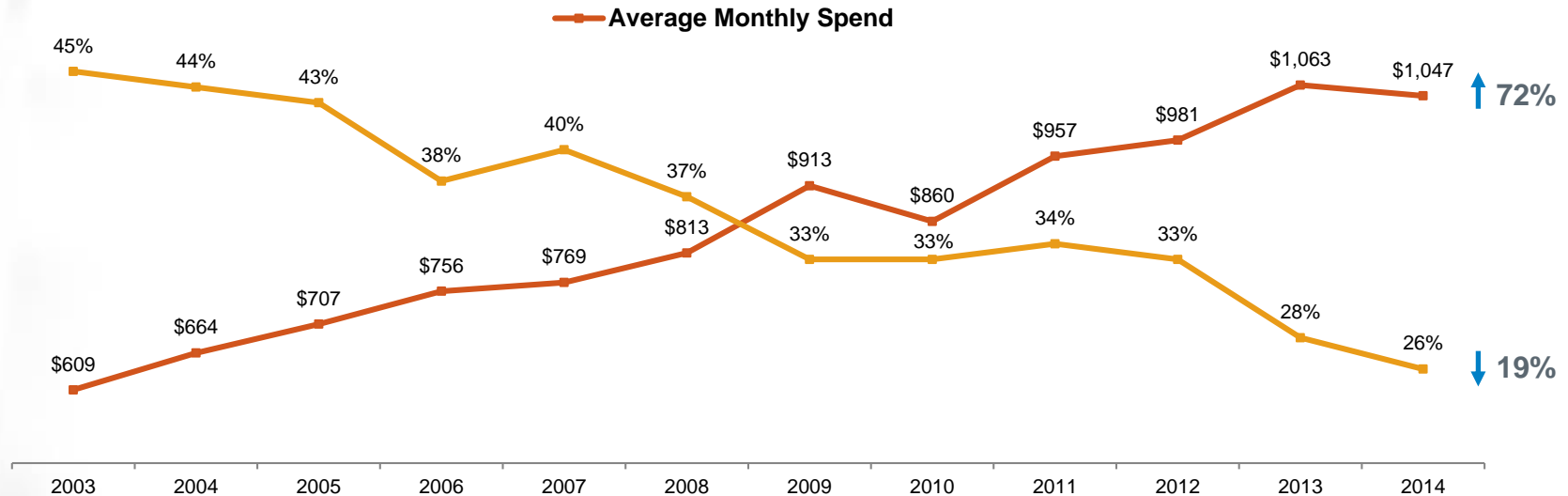
Cost of a Breach is $145 per record.

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PCI Compliance Expensive

- ## Cost to Get Compliant
  - **Level 1: ~ $2.9m**
  - **Level 2: ~ $1.2m**
  - **Level 3 & 4: up to $200k**

*Source: TrustNet

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Credit Card Usage

- Credit cards are recognized as offering **increased speed and convenience** for transactions.

- Their use as a source of **consumer credit is declining**.

- 41% of Canadian cardholders use credit cards for a **majority of personal expenditures** allowing them to consolidate spending.

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Consumer Payment Preference

- The **share of personal spending on credit cards is growing** as the use of debit cards and cash declines.

- The potential to accumulate rewards continues to motivate cardholders and reinforces the choice of credit as their **preferred payment method**

- 55% of cardholders are **actively looking for ways to earn rewards** on their rewards cards

Type of Purchase	Interest Level (Average)	Interest Level (Premium)
Utilities	48%	64%
University/College Tuition	28%	44%
Rent	28%	37%
Condo Fees	26%	37%
Daycare	22%	45%

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The Cost/Benefit Balancing Act of Credit Card Acceptance

Customer Service

Security Risk

Operational Efficiency

PCI Compliance Cost

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Reduce your PCI Footprint

Work with Enhanced Service Provider

- **Handles the full customer experience and all aspects of payment acceptance and security**

- **100% hosted; payment data is completely removed from your network**

- **Feature-rich customer engagement**

Like an Insurance Policy

Shift risk and liability away from your business and on to a third party like Paymentus.

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PCI DSS 3.0/3.2 (2018)

- **PCI Security Council introduced new requirements with V3.2**

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PCI 3.2 Highlights

1. When determining PCI DSS scope **backup/recovery sites need to be considered as well as primary / production sites**.

2. All notes and testing procedures regarding removal of SSL/early TLS throughout the document are moved to new Appendix A2. New date for mandatory removal of TLS v1.0 is June 30th 2018. **(Documentation update).**

3. New requirement 6.4.6: **New requirement for change control** processes to include verification of PCI DSS requirements impacted by a change.

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PCI More information

- https://www.pcisecuritystandards.org/about_us/

- https://www.pcisecuritystandards.org/pci_security/glossary

- https://www.pcisecuritystandards.org/faqs

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Polling Question:

Do you currently outsource your payment processing?

- Yes

- No

- I don't know

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WHY SECURITY MATTERS
The security of cardholder data affects everybody.

The breach or theft of cardholder data affects the entire payment card ecosystem. Customers suddenly lose trust in merchants or financial institutions, their credit can be negatively affected -- there is enormous personal fallout. Merchants and financial institutions lose credibility (and in turn, business), they are also subject to numerous financial liabilities.

"The security benefits associated with maintaining PCI compliance are vital to the long-term success of all merchants who process card payments. This includes continual identification of threats and vulnerabilities that could potentially impact the organization. Most organizations never fully recover from data breaches because the loss is greater than the data itself." — Quick Service Restaurant (QSR) Magazine
Following PCI security standards is just good business. Such standards help ensure healthy and trustworthy payment card transactions for the hundreds of millions of people worldwide that use their cards every day.

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CERTIFICATE OF COMPLIANCE

AWARDED TO

Paymentus Corporation

This is to certify that the above named company has been reviewed by K3DES LLC and found to be compliant with the requirements of the PCI Data Security Standard version 3.2 as a Level One service provider. K3DES LLC is a QSA company qualified by the PCI Security Standards Council. This certificate is valid for one year from the date indicated.

K3DES makes no representation or warranty as to the security or vulnerability of systems or practices of the above named company, either in general or as to the current status of compliance. K3DES does not represent, warrant or guarantee that the cardholder environment is not vulnerable to compromise or attack. K3DES shall not be liable to any third party should an event of loss or damage occur, whether or not caused by any failure or breach of the service provider's systems or payment applications.

Awarded this 31st day of October 2017

Wayne Varga
Senior Vice President, K3DES LLC

Billing and Payment Blog

Helping billers shape customer experiences now and tomorrow.

Oct 6, 2015

Part II: The Rising Cost of PCI Compliance...The Risk and Burden are on You

Payment security a burgeoning problem. With it comes a host of issues and tighter, more complex and costly Payment Card Industry (PCI) regulations. It's a necessary evil that every business – large or small – needs to implement. In this second blog of our three-part series, find out more about the true costs of PCI Compliance and which PCI 3.0 security standards are proving to be the most challenging to implement.

PCI, Privacy, Security   Payment Processing

Sep 29, 2015

Would You Like Paper or Mobile?

One-third of millenials don't review their bills before paying them. Make sure your billing and payment systems are reaching these customers.

Customer Communications   Emerging Trends   Paperless/eBilling   Relationship Management   Technology

Usability

Sep 21, 2015

Part I: Are You PCI-Compliant? Why your Business shouldn't be Compliance

More Resources

- Article: E-Payers are on the Go: Do You Offer a Mobile Payments Solution to Keep Up with Them?
- Article: Electronic Payment Security
- White Paper: 12 Essentials for Successful Utility e-Billing & e-Payment Programs

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Thank you

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