

Credit Card Fraud – Video Program Draft Script

Slide 1: Music

In the age of electronic banking and finance, few things are more important than security.

ADD NEW PICTURE In spite of continued progress, more than one billion dollars is still lost each year to credit card fraud.

RETIME CARD COMING IN: But that's about to change, with protection that's available Anytime. Anywhere: the new Fraud Alert Notification System

Slide 2: Fraud Alert Notification System or FANS is an advanced and highly sophisticated method for preventing credit card fraud. Using interactive, wireless technology, FANS provides a realtime link to cardholder account information, each time and anywhere in the world a credit card is used. FANS can help stop credit card fraud by cardholder interaction and by offering instant access to critical information like card balance, billing and credit limits.

Slide 3: Credit card fraud is an easy, disposable means of theft. It hurts us all and it costs us all:

- \$30.48 per second
- \$1,829.04 per minute

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- ■ \$109,742.19 per hour
- ■ \$2,633,812.48 a day

Slide 4: From stolen cards to false applications, this crime defrauds an unsuspecting public of more than one billion dollars a year.

[numbers need to be white]

Slide 5: So who's ultimately responsible?

- Card Providers
- Retailers
- E-Merchants
- Banks
- You

Add new line

6: The loses are on multiple fronts:

- ● Lost Sales
- ● Higher Interest Rates
- ● the cost of Detection, Staffing & Labor with processors fielding thousands upon thousands of calls from cardholders who have been scammed.

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Slide 7: A variety of countermeasures have been put in place to combat the problem. And while all offer some measure of protection, nothing has been thoroughly effective for stemming the rising tide of credit card fraud. Nothing until now.

[Slide 8: Music only leading to slide 9.]

Slide 9:FANS

Slide 10: FANS combats the crime using three unique subsystems:

- A Fraud Alert Proxy.
- A database offering a card holder contact initiative; and
- Owner Feedback that initiates a response for the appropriate action to be taken

Slide 10: Let's take a closer look at these operating systems.

FANS1 - Fraud Alert & Proxy - is the controlling subsystem. The feature validates and logs postings from card transaction systems and initiates subsystems two and three

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Slide 11: When a transaction begins, a FANS Purchase

Authorization request compares the credit card number with FANS subscriber database for a match. If found, FANS1 makes a new entry in the system log and then calls the corresponding proxy on FANS2 and FANS3.)

Slide 12: FANS2 -- Owner Notification -- is the subsystem that actually sends the “transaction in progress” notice to the card owner by one of several predetermined methods chosen at the time of subscription activation.

Slide 13: For example FANS2 notifies a subscriber that a transaction in progress by

- ■ E-mail
- ■ FAX
- ■ a Page
- ■ Voice mail or by
- ■ Telephone

Slide 14 Sub System 3 - Owner Feedback - allows the card owner to respond to the FANS2 notification. The subsystem posts the owner’s instructions back, closes out the proxy log and responds to the Purchase Authorization request or PAR.

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Slide 15: Once notified The card owner has a set amount of time to respond, accepting, rejecting or flagging the transaction

Slide 16. Accepting the transaction can be active or passive;

Rejecting the transaction can be immediate or delayed. Flagging the transaction can call for monitoring or rejection based on specific conditions

Slide 17: An active acceptance requires a direct response within a pre-determined time frame. Passive acceptance requires no action, as the transaction is accepted by default

Slide 18: Immediate rejection of a transaction requires a predetermined digital method to respond in less than 60 seconds.

Normal delayed rejection requires action within an 8-hour window, a special authority window allows extension to 24 hours

Slide 19: Flagging a transaction offers the cardholder an opportunity analyze the card activity.

Reject until flag removed allows an owner, bank security agent, or certain authorities to freeze an account temporarily.

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Slide 20: FANS offers other benefits. For instance, cardholders can save time – and potential embarrassment -- by checking account status, balance information and available credit by telephone.

Also, cardholders are taught to police their own accounts -- reducing fraud and overspending – which offers cost savings to everyone.

Slide 21 Consider this scenario

Slide 22-23 Let's say John's wife Sara has a VISA card issued on John's account.

John has a security agreement with a provider using FANS to safeguard his cards

Sara makes a shoe purchase at a local department store.

John receives notification of the purchase request, knowing its safe, does nothing and the charge is accepted by default.

Slide 24: Different music

Slide 25-27 Richard inadvertently drops a credit receipt near an airport snack machine. Loitering Billy picks it up and places a catalog order for \$1700 in Stereo equipment. Richard, in a meeting, receives a message on his Smart Phone that his card has been used

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for a purchase. He has 30 seconds to respond, knowing the transaction shouldn't be processed, his response is easy. He presses 9 flagging transactions on the card to be rejected until further notice.

Slide 28: Music

What will this mean for the industry? The bottom line is money.

Slide 29: Once implemented, the FANS service network will include

- ● Regional processors
- ● Card issuers
- ● Department store cards
- ● Gas cards
- ● Corporate expense accounts
- ● Fleet accounts, and more

As an issuer or a processor the FANS of real-time cardholder interaction process provides unprecedented protection against credit card fraud. Join us today!

TODD: who are epold and intelligent technology someone?