

Migrating smoothly from signature to PIN

REFERENCE is made to the article "It is important to educate credit card users on PIN" (*The Star*, June 20).

The Association of Banks in Malaysia (ABM) would like to respond and add some context to the matters highlighted.

1. Malaysian banks are not doing enough to educate customers on the use of PIN

In line with the market-wide project to change the way customers are verified when using their payment cards at domestic point of sale (POS) terminals, all credit, debit, charge and prepaid cards in Malaysia that currently support signature will be replaced with new cards programmed to support PIN. All terminals need to be upgraded to support the entry of PIN. This industry-wide transition is expected to be completed by Jan 1, 2017.

Card issuers/banks are planning to execute a communication and education programme that changes the behaviour of cardholders such that they enter a PIN instead of signing when using their card at POS. This change is being referred to as PIN & PAY.

In fairness to the card issuers, an effective communications plan has to do with timing and the current stage of the migration to PIN in Malaysia. Thus, the timing of the execution of the PIN & PAY communication programme is critical – too early and card issuers will very quickly lose the attention of their audience; too late and card issuers will risk causing confusion and disruption.

Mass deployment is only just

about to commence. From mid-2016, PIN-enabled terminals will be deployed in greater numbers, and customers will start to see the PIN & PAY logo at more terminals supporting PIN.

An industry PIN & PAY website (www.pinandpay.com.my) containing all the information necessary for cardholders and retailers to understand the change to PIN was established in November 2015. Individual card issuers have also updated information via Internet banking and websites, and communicated to every customer who receives a new PIN-enabled card by providing a starter pack explaining what the customer must do to activate the card and select his PIN.

2. Malaysian customers who have a new PIN-enabled card but have not selected a PIN may not be able to use their card in an overseas terminal that requests PIN

The PIN & PAY website contains advice to Malaysian cardholders travelling overseas (www.pinandpay.com.my/en/news.html?tag=cardholder-travel). All card issuers that have issued PIN-enabled cards direct cardholders to the PIN & PAY website.

We would like to urge holders of PIN-enabled cards travelling overseas to ensure they have selected or been issued a PIN for their cards before leaving Malaysia and to remember their PIN when prompted to enter it.

A cardholder who has not selected, or cannot remember, his PIN can request the retailer to bypass the PIN entry and sign. However, the retailer may not know how to use the bypass function or may refuse to do so.

3. A customer with a six-digit PIN may have problems using his card at an overseas terminal if the terminal restricts PIN entry

to four digits.

The standard PIN for Malaysia is six digits whereas in some overseas markets, it is four digits. We acknowledge the issue and note the following points:

a) POS terminals around the world that accept cards with international brands (American Express, China UnionPay, MasterCard, Visa, and others) are required to comply with international standards enforced by the international card schemes. One of those standards is the ability to accept PINs up to six digits.

b) Over time, as cards with six-digit PIN become more common, we can expect this particular issue to become increasingly isolated, if not disappear altogether.

c) If a Malaysian customer encounters a POS terminal that restricts the entry of a PIN to four digits, he can do one of two things. The first is to ask the retailer to bypass the PIN entry and sign. If this is not possible, or the retailer refuses, the customer must opt for a different payment method.

The industry is working cohesively and diligently to ensure a smooth migration from signature to PIN. We would urge members of the public and retailers who want to know more about the initiative to visit www.pinandpay.com.my.

For further enquires, contact us at our ABMConnect hotline 1-300-88-9980, or through eABMConnect by logging on to our website, www.abm.org.my.

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IN MALAYSIA