



# EMV IN ACTION

## Payments Security that Works

A year into the transition to secure EMV chip card technology, use is up considerably, counterfeit card fraud is down, and consumers are still shielded by longstanding zero fraud liability protections. The results are clear: **In the fight against payment fraud and data theft, consumers are unquestionably safer today than they were a year ago.**



### EMV Chip Card Technology Driving Down Fraud

EMV chips replace the easily-copied magnetic stripe and produce a one-time code for each transaction – data that cannot be reused if stolen. The leading U.S. payment networks announced plans in 2011 to transition the U.S. to EMV technology and set October 1, 2015 as the date for assigning in-store counterfeit fraud liability to the party that had not adopted EMV (merchants are required to install terminals and banks issue cards).

#### Consumer Use Up

**700 Million**

Financial institutions have issued over 700 million chip cards in the U.S. market, more than in any other country in the world (*Nilson Report, Aug. 2016*).

**>100% ↑**

Since October 1, Mastercard and Visa have increased the number of chip cards in market by more than 100% (*Mastercard/Visa*).

**30% ↑**

“Chip-on-chip” transactions increased to 30% in the first quarter of 2016 (*Aurion*).

#### Merchant Use Up

**2.3 Million**

Nearly 36% of the U.S. merchant population is now accepting Mastercard chip cards, totaling 2.3 million merchant locations (*Mastercard*).

**>75%**

More than 75% of merchant locations who accept Visa chip cards are small and medium-sized business and this number continues to grow (*Visa*).

**100,000**

On average, close to 100,000 new merchant locations become chip-ready each month (*Visa*).

#### Fraud Down

**54% ↓**

Counterfeit card fraud has dropped more than 54% at Mastercard’s EMV-enabled merchants as of August 2016 (*Mastercard*).

**>2x**

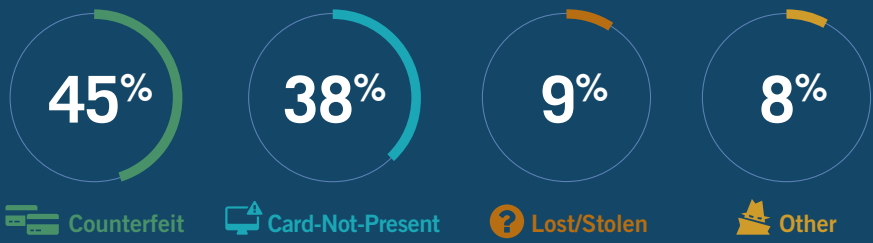
It took France four years to see a 91% drop in counterfeit fraud after shifting to EMV in 2005. The U.S. is moving at more than twice that speed; counterfeit fraud fell an average of 50% between April/May 2015 and April/May 2016 (*Bank of France/Mastercard/Visa*).

### TODAY’S CHALLENGES

Payments technology is becoming more sophisticated... but so are cyber criminals.

Source: Aite Group study, February–April 2016

### MAJOR TYPES OF PAYMENTS FRAUD



EMV is key to combatting card counterfeiting, which accounts for the largest share of payments fraud (45%). But at a time of unprecedented cyber-attacks, continued innovation is needed to secure transactions wherever they occur. That’s why, in addition to their work to advance EMV adoption, banks and payment networks are deploying dynamic technologies capable of fighting online theft and other evolving threats.