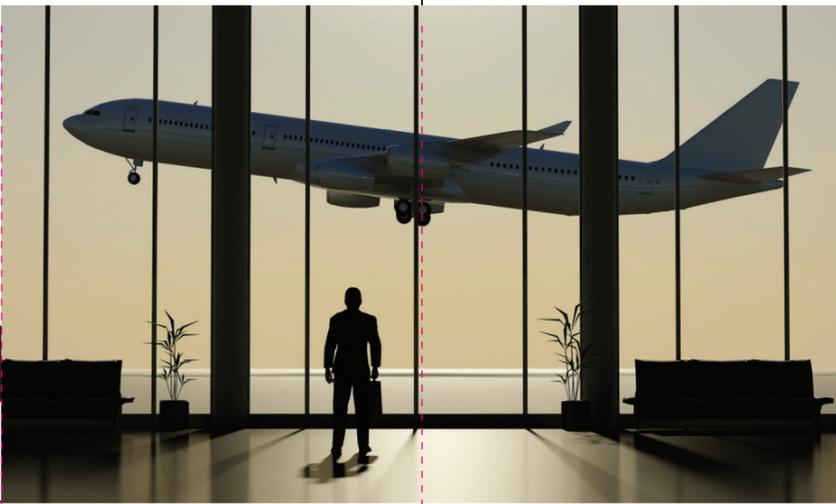


DON'T



Y

WITHOUT US

EUROPEAN FLYERS CHOOSE ALTERNATIVE PAYMENT METHODS

Figures published by Visa in July 2009 indicate changing habits of both Europeans and Asians when it comes to spending online. Driven by the need for security on the part of the shopper and the need for lower costs on the part of the merchant, online bank transfers and cash on delivery payment methods are showing rise in usage. RBS WorldPay, the payments arm of the RBS Group and the largest payment processor in Europe reports seeing the same trend and across its airline customers a rise in the use of iDeal, the Dutch bank transfer methods and similar schemes in the UK. While cards remain the dominant payment method the security and cost benefits offered by bank transfer and the convenience offered by e-wallets are gaining relatively rapid adoption especially in Europe and the US.



In 2007/8 iDEAL took 20% share of the e-commerce transactions in Holland. Over 80% of all Dutch web merchants offer iDEAL as a payment method and it is the preferred payment methods for 42% of Dutch online consumers.

In the US use of new online payment methods represents 11% of total online payments (including credit and debit card) in 2009, and it will increase to 12% by 2011 (Forrester).



“Merchants find that providing a choice of payments methods does translate into greater sales.”

According to Hans Gerritsen Payments Analysts for RBS WorldPay its merchants are reporting a lift in sales when they offer these payment methods in addition to the usual.



RBS UPGRADE RISK TOOLS FOR EXTENDED ITINERARY DATA

RiskGuardian, the high-end fraud-screening service from RBS WorldPay, have announced a significant upgrade to the checking of airline itinerary data. Comprising over 50 individual checks on each airline booking and related payment information, the tool will be one of the few automated fraud screening solutions in the world to offer such extensive screening.

Service From	Term	Gate
Albany	2	26
Albuquerque	2	21
Austin	2	25
Baltimore	2	26
Baltimore	2	3

The new checks include scoring of results against up to 50 checks including such itinerary items as 'Type of Ticket Purchased', 'One-way or return flight', 'Direct or Non Direct' and 'Airport of Origin and Destination'. These checks enable airlines to automate the process of distinguishing between unlikely fraud attempts (family with 5 kids and cello) and the more likely 'fast' itinerary bookings. A full list of the checks cannot be published for security reasons but RBS WorldPay representatives can advise interested parties.

The upgrade ships in the fall and is integrated with RBS WorldPay's High Capacity Gateway (PaymentTrust) and is expected to be integrated with the Corporate Gateway platform in 2010.

While we are just beginning to see a slight fall in cardholder not present fraud around the world there is "no room for complacency" says Katy Worobec, Head of Fraud Control (UK Cards Association)

"These latest fraud figures are good news but whilst industry online security initiatives such as Verified by Visa and MasterCard SecureCode may be making their presence felt, the fraudsters are never going to shut up shop and, of course, there are emerging areas such as online banking fraud which has risen again."

Research by the UK Cards Association indicates that Cardholder Not Present Fraud has decreased by 18% over the past half year. However there is a rise of 25% in fraud on cross-border spending. Clearly MasterCard's SecureCode mandate in the UK will have been a contributing factor to a reduction in CNP fraud and the lack of enforcement of it in other countries coupled with the lack of chip-and-pin enforcement on the high street in others, encourages many fraudsters to target cross border fraud.

"Risk Guardian is a global fraud screening tool designed with cross border trading very much in mind" says John Eggleton (Risk Product Specialist, RBS WorldPay). The product has its roots in the demanding gambling sector which has a strong cross border element.

BRITISH AIRWAYS JOINS RBS AND ETHOCA IN THE COLLABORATIVE FIGHT AGAINST FRAUD

Ethoca, the collaborative fraud management organisation announced earlier this year that British Airways, the national airline of the United Kingdom, had joined the Global Fraud-Fighting Community through which continue to attract members of all sizes across the world, through its long-standing service agreement with Royal Bank of Scotland (RBS).

Having reached a tipping point around four years ago of customers transacting directly through its website versus sales through travel operator call centres or high street shops, British Airways decided to review its distribution systems and at the same time review methods of screening for fraudulent transactions.

Initial measures of fraud prevention included industry standards such Verified by Visa, MasterCard SecureCode and most recently PCI-related frameworks. As fraud became a more widespread issue, British Airways looked at further ways to complement existing fraud screening capabilities and turned to RBS.

The Ethoca-powered Global Fraud-Fighting community will provide British Airways, other RBS partners and merchants of all sizes with a resource of shared information containing both positive and negative customer experiences, which enables them to identify bad orders much more quickly as well as identify good orders that are being rejected. The power of collaboration is such, that cases where fraudulent information is used on several different merchants in a short space of time would be all but eliminated. The more information that is shared, the better for the community.

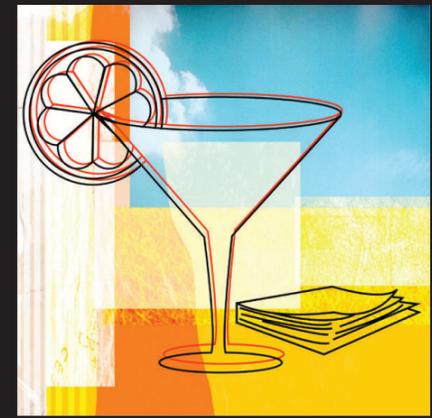
“Ever since the Internet became a primary method of carrying out business, it has become harder and harder to discriminate fraudulent transactions from those made by honest, everyday people”

Explained Ken Muir, Global Payment Manager, Distribution, British Airways.

According to research by Ethoca online businesses refer more than 27% of transactions for manual review but then more than half of all merchants accept over 90% of these orders and 2/3 of merchants accept more than 80%. This implies that the largest online businesses overspend by enormous sums to inspect orders manually, 80% or more of which could be saved if they had better customer experience data to identify the good customers and give them a better purchasing experience. This costs a lot of money to protect against a small minority of actual fraudulent transactions...



HAPPY HOUR MONDAY 17.00 DOCS BAR & GRILL



All delegates cordially invited to meet, exchange news, bubble and chill, compliments of RBS WorldPay.

...The primary reason for such a large percentage of manually checked orders is a lack of prior experiences with the customer. The Global Fraud Fighting Community is a source of positive experience information about customers who have yet to make a purchase from a particular merchant, and the only way to cut down on the 80% or more of manually reviewed orders that didn't require checking. Manual reviews represent by far the largest cost of managing fraud, and are often the source of processing and shipping delays that degrade the customer's experience.

"We continue to see momentum accelerate towards Ethoca's collaborative fraud management community, with the recent addition of a number of large firms within the airline industry. By working together, members will gain previously unobtainable experience from their peers, giving them the knowledge to help drive down fraud and ultimately increase revenue." Mike Parkinson, Manager of Global and Regulated Markets at The Royal Bank of Scotland, commented.

WORLD PAYMENTS REPORT 2009

The Royal Bank of Scotland have just released their annual World Payments report 2009 which examines consumer spending habits across the globe. The report highlights emerging consumer trends – showing the significant rise in online bank transfers as a popular way to pay for goods and services online providing high security for the consumer and low cost for the merchant (such as iDeal in the Netherlands). As well as less predictable payment trends such as the significant rise in cash-on-delivery in central Europe and SMS text messaging in Asia. Of interest to anyone wanting to ensure their business minimises lost sales by supporting the payment methods its customers want to use the report will be presented at the Navitaire Conference 2009 and can be also be supplied from RBS WorldPay at editor@rbsworldpay.com

First ever fall in card-not-present fraud losses
Online banking fraud losses up 55% to £39m
Cheque fraud losses down 26% to £15.6m
 (UK Cards Association)

MORE NEWS CONTINUED UNDER WING...

CORPORATE GATEWAY UPDATE

RBS WorldPay (Bibit) Invests €20 million in Corporate Gateway

RBS WorldPay, the payments arm of The Royal Bank of Scotland, have announced imminent completion of their much awaited compliance with the card schemes Payment Card Industry Data Security standard (PCI DSS). The multi-million euro investment programme to future proof their corporate gateway service, used by numerous corporations, to process online and face-to-face POS payments, provides compliance with the new standard but also other benefits for the platform.

"This programme provides both the profound security but also the mega bandwidth and resilience in our platform to meet the needs of global businesses over the coming decade" says Paul Clarke, Head of eCommerce at RBS.

While many smaller competitors are already compliant, RBS argue that many organisation do not have the same scale and global complexity to account for but also that existing and very rigorous security surrounding RBS systems – employing a different methodology but no less secure – added complexity to the programme.

Visa required compliance with PCS DSS programme by October 2009.

PayPal Support Enhanced

RBS WorldPay's Corporate Gateway service has supported the PayPal eWallet for several years now but the support has been extended recently to enable acceptance of the following currencies from September 1 2009 on:

- Swedish Crowns (SEK)
- Norwegian Crowns (NOK)
- Danish Crowns (DKK)
- Swiss Francs (CHF)
- Canadian Dollars (CAD)
- Singapore Dollars (SGD).

This enables our corporate gateway merchants to be settled in these currencies for PayPal transactions by shoppers in these countries. This is in addition to the existing currencies GBP, USD and EUR. Being settled in (one of) these currencies requires that the merchant has a merchant account for the related currencies with RBS WorldPay. The merchant does not need to be domiciled in these countries.

RBS WorldPay merchants have reported some significant lifts in sales simply as the result of enabling acceptance of PayPal payments through the Corporate Gateway.

"PayPal claim the possibility of a 14% uplift in sales" says Hans Gerritsen of RBS, "but some of our merchants have been happy to see even higher increases simply as a result of our adding this payments method. Its good news".

PayPal™

RBS WorldPay™

Make it happen™

RBS WorldPay™

Make it happen™

German GiroPay Now Accepted

Acceptance of GiroPay through RBS WorldPay Corporate Gateway completed its pilot (beta) phase in October this year and is now available to all merchants.

GiroPay is a payment scheme for account holders of German banks who have activated e-banking with their bank. The payment service gives merchants an immediate on-line response after an authorisation request. If the response is positive the merchant will be settled (payment guaranteed).

Today the banks connected to GiroPay are PSD-Banks, MLP-Bank, Cronbank, Ready-Bank and the banks in the Syndicate of Volksbanken & Raiffeisenbanken. These banks hold approximately 80% of the private bank accounts in Germany. Of these account holders 40% manage their account with e-banking, comprising c. 17 million persons in total. Other Issuers are expected to join the scheme shortly.

With GiroPay merchants using the RBS WorldPay Corporate Gateway will have an attractive payment option in Germany, with increased sales opportunities to shoppers with no credit cards and avoiding the charge back risks of ELV.

