



:: dynamic currency conversion ::

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:: ALWAYS OFF-LINE TERMINALS

The EMV process expects the terminal to seek an authorisation from the issuer where the card requests it. All terminals in most environments should therefore have the ability to connect to the issuer online. There are, however, a few retail environments where it is impractical or not cost-effective to support on-line authorisation. These include terminals on board trains, ferries, ships and aircraft.

These terminals will identify their 'type' to cards as Off-Line Only. Where the card seeks an on-line authorisation, the terminal will report that it is unable to go online, and in some cases this may lead to the transaction being declined offline by the card.

This is not dissimilar to the situation in the magnetic stripe world, where some terminals are unable to support "online-only" cards (such as Electron or Solo). With Chip and PIN, however, cards may support varying levels of offline transactions, and neither the cardholder nor the cashier can readily determine from the brand how the transaction will be handled – indeed it may vary from one transaction to the next.

:: Merchant considerations

Merchants deploying offline-only terminals must therefore be aware that some cards may decline such transactions, and must have procedures to handle this situation.

In particular, there may often be a need to support distress purchases, where the customer has no other form of payment and the transaction is regarded as essential. Distress purchases may be handled using any technology agreed with the acquirer (e.g. PAN Key Entry or paper vouchers), but if the issuer does not have the opportunity to authorise the transaction using the full transaction data, then they are at merchant risk.

:: Issuer considerations

Issuers issuing cards carrying a brand which supports offline transactions (i.e. other than Electron or Solo in the UK), but with limited offline capability (e.g. low values of UCOL), must be aware that these transactions may be declined offline by the merchant's terminal, and that this may inconvenience their customers. There is some correlation between the users to whom these cards are issued (e.g. young people) and the situations in which offline-only terminals are often found (e.g. public transport). It is recommended that customers receiving such cards be made aware of their limitations.