Contactless Cards - The Facts
Introducing an alternative, faster way to pay with your card

Contactless is a new feature currently being introduced on some UK debit, credit and pre-paid cards. It enables payments of £20 or less to be made in participating shops by simply holding the card against a reader - with no need to enter a PIN or insert the card into a chip and PIN device. In less than a second a payment will normally be complete.

A card which has been upgraded to include Contactless functionality will look much the same as a standard chip and PIN card, but the design will incorporate one or more ‘Contactless identifiers’. The majority of Contactless cards issued in the UK feature this symbol:

The good news is that because Contactless can be added to a standard debit or credit card you won’t need to carry around an additional card, and because you’ll be using your existing bank or credit card account you won’t need to set up or ‘top-up’ a separate account. Better still, there are no additional costs for using Contactless.

Contactless simply provides another choice. If a retailer hasn’t upgraded to Contactless you will still be able to continue using your card for chip and PIN transactions just as you do now – but where Contactless is accepted for low-value payments you can choose to use it or continue to pay with cash.
**What are the benefits of Contactless?**

Cards have always been a popular payment method for consumers due to the convenience and security they offer, and Contactless makes paying for low-value items faster than ever before - reducing the time you have to spend queuing!

As well as providing a secure alternative to cash, Contactless reduces the amount of coins you need to carry and will make searching for the exact change a thing of the past. As more shops start introducing Contactless equipment there will be even more places where you can pay by card.

**What makes Contactless payments secure?**

Contactless cards benefit from the same range of advanced security features found on a standard chip and PIN card; and transactions are processed through the same secure networks.

Although Contactless transactions don’t require a PIN, from time-to-time you will be prompted to insert your card into the chip and PIN reader and enter your PIN. This security check is in place to protect you from fraud and your card company restricts how much your card can be used before you will need to provide a PIN.

Along with these precautions - the £20 limit on Contactless transactions – reduces the potential for fraud. For transactions over £20 you will need to use chip and PIN in the usual way.

It’s worth remembering that if your wallet is stolen you won’t normally get your cash back, but if you are the innocent victim or debit or credit card fraud you will not be liable for any fraud losses. This is regardless of whether or not your cards carry the Contactless functionality.

You should always take reasonable steps to keep your PIN and any security information secure, and if your card is lost or stolen report it to your card company as quickly as possible.
Can I have a Contactless card?

Different card companies have different timescales for upgrading their cards, and at this time Contactless is not available on all cards in the UK. Some card companies will automatically send you a new card with Contactless functionality; either when your old card expires, or in some cases all customers will be upgraded at the same time. Other card companies may write to you to ask if you would like the new functionality.

More and more people are now having their cards upgraded to include Contactless functionality. Among the 45 million cardholders in the UK there are now over 31 million cards which have been upgraded with contactless technology.

<table>
<thead>
<tr>
<th>Card company</th>
<th>Contactless available?</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Express</td>
<td>American Express is committed to Contactless in the UK. The issuing of contactless-enabled cards is planned to begin in 2011</td>
</tr>
<tr>
<td>Barclays and Barclaycard</td>
<td>Yes. Customers are being upgraded automatically. See <a href="http://www.barclays.co.uk">www.barclays.co.uk</a> for more details</td>
</tr>
<tr>
<td>Capital One</td>
<td>Not yet</td>
</tr>
<tr>
<td>Co-operative</td>
<td>The Co-operative Bank sees Contactless as a key service, providing speed and convenience and benefits to all in the payments environment. Customers will be selected to participate from Q2 2011</td>
</tr>
<tr>
<td>HSBC</td>
<td>HSBC customers can apply for Contactless HSBC Bank Credit Cards and Contactless HSBC Premier Credit Cards if they call in</td>
</tr>
<tr>
<td>Lloyds Banking Group (incl. Halifax)</td>
<td>Selected customers only</td>
</tr>
<tr>
<td>MBNA</td>
<td>Will be issuing cards very soon</td>
</tr>
<tr>
<td>National Australia Group (incl. Clydesdale)</td>
<td>Not yet</td>
</tr>
<tr>
<td>Nationwide Building Society</td>
<td>Not yet</td>
</tr>
<tr>
<td>Royal Bank of Scotland (incl. NatWest)</td>
<td>Selected customers only</td>
</tr>
<tr>
<td>Santander UK</td>
<td>Not yet</td>
</tr>
<tr>
<td>Tesco Personal Finance</td>
<td>Not yet</td>
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Where can I use Contactless?

Selected retailers across the UK - all the way from Land’s End to John O’ Groats - have already introduced the equipment to accept Contactless payments; although, there is a greater concentration in London and other major cities such as Liverpool. Over the next few years the number of participating retailers is expected to grow dramatically.

Over 25,000 point-of-sale terminals have already been upgraded to accept contactless payments in the UK. These can be found in a wide range of places, including EAT, Pret à Manger, Little Chef, Caffé Nero and the National Trust, and in certain branches of Boots, Ikea, Yo Sushi!, Subway and Barnardo’s - and the list is growing all the time.

Contactless is attracting retailers that have not accepted cards in the past; such as fast food outlets, sandwich and coffee shops, car parking ticket machines, music festivals, vending machines, taxis and public transport networks.

You can use Contactless wherever you see a reader with this universal symbol:

The symbol also indicates where you should aim to hold your card.

You should also check that the logo is displayed on your card to be sure it will be accepted.

How does it work?

Contactless technology is simply another way your card can communicate with a retailer’s terminal. The term Contact-less refers to the fact that the card does not need to physically make contact with the reader. Once a payment is complete the lights on the reader will illuminate to confirm that the transaction has been approved.

The information required for the transaction is securely exchanged between the card and the reader using Radio Frequency IDentification (RFID) technology. In all other respects Contactless cards are very similar to regular cards.

Contactless technology has been around for many years and has a variety of uses from transport (like the Oyster card in London) to building access control. While it is similar, when Contactless technology is used on payment cards it uses more sophisticated security controls.

Where can I find out more?

If you are sent a card with Contactless functionality your card company will also send you details about using it. If you require any additional information please contact your card company or visit:

- MasterCard® PayPass™
- Visa payWave