

NEWS RELEASE

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THE
UKCARDS
ASSOCIATION

CONTACTLESS LIMIT ON DEBIT AND CREDIT CARDS GOES UP TO £20

Today (Friday 1 June), upgrades begin across UK retailers and vending machines to raise the contactless card payment limit to £20 from £15. The cards, of which there are 23 million in the UK, give customers a fast and easy-to-use alternative to cash when making low-value payments in participating stores, and at vending machines, festivals and other events. Contactless enables customers to pay simply by holding their card up to a reader for low value transactions rather than tapping in their PIN.

This is the second time the contactless transaction limit has been increased – it was first raised from £10 to £15 in 2010. Over 17.7 billion of all consumer cash payments are for amounts under £20 – with a majority of these being for purchasing groceries, followed by payments made for dining out. This latest rise will broaden the appeal of contactless, increasing the situations where using the technology is of benefit – for example, making it possible to pay for a small basket of shopping in a supermarket rather than just for sandwiches or coffees.

Although a contactless transaction doesn't normally require a PIN to be entered, usage is monitored by the chip on the card. The chip limits the number of consecutive contactless transactions that are allowed before the cardholder is required to undertake a chip and PIN transaction. This is designed to deter and limit fraudulent use should the card be lost or stolen. However, should a fraudster successfully make a contactless transaction on a stolen card, customers have legal protection from any losses – just as they have with any type of card fraud.

Cards upgraded to give customers the option of making contactless payments carry the easily recognisable symbol (see Notes to Editors) and customers will be able to use their cards anywhere they see the acceptance symbol at home or abroad.

Contactless technology has been developed by the global card schemes – American Express, Mastercard and Visa - which means that UK customers will be able to use their contactless debit or credit card in any other country that has adopted this technology.

Contactless can be used in 55 national retailers, which have rolled out the technology or else placed it in selected stores, including McDonalds, Boots, Greggs, Little Chef, Paypoint, Spar and Wilkinsons.

Cardholders who don't yet have contactless don't need to do anything. They will be contacted by their card company and given full details as they join the rollout. More information is available from either MasterCard www.paypass.com or Visa Europe www.visaeurope.com/aboutvisa/products/visacontactless.jsp

Chair of The UK Cards Association Melanie Johnson said:

“Low-value transactions have been gradually moving from cash to card. Contactless cards provide another convenient and fast method for paying for low-cost goods and services. They attract the same level of protection as traditional plastic cards – meaning that customers will suffer no loss if they are a victim of fraud – and certainly provide much more convenience and protection than traditional payment methods such as cash or cheque”.

Mark Austin, Head of Contactless, Visa Europe said:

“We welcome this increase which will make contactless payments even more useful to people across the country. Contactless technology has passed several major milestones in the last year, with HSBC recently announcing the rollout of Visa contactless debit cards. By the end of the year we will be approaching 30 million Visa cards in the UK, and with more major retailers coming on board on a regular basis, the opportunities to use contactless payments are increasing rapidly.”

Marion King, President of MasterCard UK & Ireland, said:

“As the first scheme to commercially roll out contactless payments with MasterCard PayPass on both cards and mobile phones in the UK, we welcome the increase in the transaction limit and expect it to drive usage. As we move to a world beyond cash, contactless will also be the foundation which allows consumers to turn their phones into wallets and enjoy smart, simple and safe payments through applications such as PayPass.”

American Express UK said:

“The rise in the payment limit is good news for consumers as it offers even greater flexibility and convenience for card holders. The evolution of this technology allows for faster transactions and will broaden the appeal of contactless cards to the growing number of people adopting this method of payment to pay for their everyday purchases.”

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For more information please contact the press office on 020 3217 8340 or 8441. Or email press@ukcards.org.uk

Notes to Editors

1. Contactless credit and debit cards are those plastic cards which have been upgraded to give the option of making contactless payments. The first of these contactless cards were issued in 2007. There are 23m cards in use across the UK (2012 figures).

Upgrades begin across retailers on 1 June and will continue throughout the month.

2. Card companies who have rolled out contactless cards include the following:

- Barclays
- Lloyds
- MBNA
- HSBC
- RBS / Natwest

3. Terminals capable of taking contactless payments are marked with this symbol:



Cards able to make contactless payments carry this symbol:



4. Figures related to the number of consumer cash payments for amounts under £20 are taken from the Consumer Payments Survey produced by the Payments Council.

5. The UK Cards Association is the leading trade association for the card payments industry in the UK. With a membership that includes all major credit, debit and charge card issuers, and card payment acquirers, the Association contributes to the development of legislative and regulatory frameworks; develops industry best practice; safeguards the integrity of card payments by tackling card fraud; develops industry standards; and co-ordinates other industry-wide initiatives across matters relating to both card payments and the provision of credit.

www.theukcardsassociation.org.uk

6. VISA Europe. In Europe, there are 445 million Visa debit, credit and commercial cards. In the 12 months ending September 2011 those cards were used to make purchases and cash withdrawals to the value of €1.7 trillion. 14% of consumer spending at point of sale in Europe is with a Visa card, and almost 80% of that is on Visa debit cards. Visa Europe is owned and operated by more than 3,700 European members and was incorporated in July 2004. Visa Europe is independent of global Visa Inc., with an exclusive, irrevocable and perpetual licence in Europe, while both companies operate to ensure global interoperability. As a dedicated European payment system Visa Europe is able to respond quickly to the specific market needs of European banks and their customers - cardholders and retailers - and to meet the European Commission's objective to create a true internal market for payments. Visa enjoys unsurpassed acceptance around the world. In addition, Visa/PLUS is one of the world's largest global ATM networks, offering cash access in local currency in over 200 countries. For more information, visit www.visaeurope.com

7. Mastercard is a global payments and technology company. It operates the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. MasterCard's products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter @MasterCardNews, join the discussion on the Cashless Conversations Blog and subscribe for the latest news.

8. American Express is a global service company, providing customers with access to products, insights and experiences that enrich lives and build business success. A leader in global payments, American Express is the largest card issuer by purchase volume and operates a worldwide network that processes millions of transactions daily. American Express offers a broad array of payment, expense management and travel solutions for consumers and corporations including, credit cards, charge cards, travel, home and car insurance, travellers cheques and foreign exchange services. Learn more at www.americanexpress.co.uk and connect with us on www.facebook.com/AmericanExpressUK