EMV Adoption Will Grow As Chargebacks Increase

"Friendly fraud" will push merchants to look for POS resellers with EMV payment solutions.

Joe Gage
Executive Director, iPOS Channel
Sterling Payment Technologies

Earlier this year, The Strawhecker Group, a payments-industry advisory company, released the results of a study that found that only 37 percent of U.S. retailers were ready to process chip-embedded credit and debit cards. The slow adoption of chip-embedded cards leaves merchants open to incurring liability for fraud perpetrated with traditional, less secure magnetic stripe cards.

"Friendly Fraud"

But now, merchants that cannot accept EMV chip cards are starting to experience "friendly fraud," in which a customer buys a good or service, then initiates a chargeback simply to avoid payment. Merchants running transactions without EMV are now responsible for these fraudulent chargebacks, which can be difficult and expensive to defend against.

It's safe to assume that once non-EMV merchants become victims of fraud, they won't hesitate to make the switch to EMV. If their POS reseller doesn't offer an EMV solution, it's almost certain the merchant will move to a reseller that does.

Long before the October liability shift, Sterling Payment Technologies took the lead to ensure that our POS resellers had affordable EMV solutions to offer their merchants. Sterling continues to work every day with ISVs so we can offer an even wider variety of options.

Flexible EMV Technology Options

Sterling offers multiple EMV solutions that work with any type of platform, whether that's PC Windows, iOS, or Android, mobile or cloud-based app, or a legacy (embedded) system. Our EMV solutions include:

- Countertop EMV-enabled terminals
- Wireless Bluetooth or Wi-Fi EMV-enabled terminals
- Semi-integrated EMV solutions, including Datacap's powerful line of semi-integrated EMV solutions, which allow existing POS systems to accept EMV cards easily.

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Because installing an EMV device is more involved than simply plugging in a mag-stripe card reader, Sterling works with software developers to create clear installation instructions, and our technical integrations team is available to assist resellers with installation 24/7.

More Benefits

- The semi-integrated EMV solutions Sterling delivers are out of **PCI scope**, which reduces compliance requirements and results in real cost savings for merchants.
- If an EMV-enabled version of a merchant's payment software is not available, Sterling's **EMV Liability Protection** plan will cover the merchant's eligible chargebacks related to the liability shift on certain types of fraudulent credit and debit card transactions.

EMV Offers Unique Sales Opportunity

Sterling's EMV program offers resellers a tremendous opportunity to increase new sales and upsell to existing merchants who need an EMV solution. OSS Data, a Sterling reseller partner in Hollywood, Florida, is an example of how this works.

Thanks to an integration between Ingenico, NCC, and Sterling, OSS Data had an EMV solution ready to offer merchants while other resellers in the area were waiting for their POS and payment partners to bring solutions to market.

Fraud is a big issue in South Florida, so OSS Data sends out EMV awareness mailers to prospects, then calls on them with EMV marketing materials provided by Sterling. Merchants have been receptive, and the installation of EMV in OSS Data's merchant locations has proven to be, in the reseller's words, "seamless." The result is that OSS Data is winning a significant market share in this area and expects 2016 to be its most productive year ever.

To learn how you can benefit from Sterling Payment Technologies' EMV solutions, please call us at (800) 591-6098.

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