Card Not Present Fraud Prevention

Best practices to help protect your business against fraud.

In order to take advantage of the business growth opportunities presented by non-traditional sales channels, an increasing number of merchants process payment transactions where neither the card nor the cardholder is present. In these circumstances fraud may be especially difficult to detect.

It is important that merchants follow best practices to verify the cardholder identity in addition to the validity of the purchase to help prevent both fraud and chargebacks.

These best practices will help fight both fraud and chargebacks when the card nor the cardholder is present including mail-order/telephone-order (MO/TO) and E-commerce payment transactions.

Develop in-house fraud control policies and procedures for handling irregular or suspicious transactions and provide appropriate training for your employees.

Fully complete the RBC Merchant Services E-commerce Website Checklist and ensure that your website fully meets the requirements.

Use the fraud tools offered by the approved RBC payment gateways.

If taking an order by telephone, ensure to record the date and time of your conversation, make note of the details of the conversation, ask for day and evening phone numbers and call the customer back later.

If taking an order via mail, fax or e-mail the customer to obtain a signature on the order form and always retain a copy of the written order.

Obtain an authorization and proof of delivery.
An authorization is required on all card not present transactions and should occur before any merchandize is shipped or service is performed. Cards should not be charged until items are shipped or services received. By tracking and confirming delivery, you have fulfilled your obligation and have protection against chargebacks.

Avoid Internet orders with suspicious shipping addresses e.g. where the billing address is in a different country or one address is used for purchases on multiple cards.

Avoid Internet orders of multiple transactions on one card over a very short period of time or one card being used to ship to multiple addresses.

Multiple cards used from a single Internet Protocol (IP) address could indicate fraud.

Trust your instincts! If a sale seems too good to be true it probably is. Take the time to review the order. Caution and due diligence could protect you from being the victim of fraud.

To sign up for RBC Merchant Services today, contact our team at 1 888 847-5803 or visit your nearest RBC Royal Bank branch.

Disclaimer

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