



## Frequently Asked Questions

### **Why is contactless payment technology gaining in popularity?**

Contactless is the latest innovation in payments. Consumers enjoy faster checkouts and convenient, secure transactions without handing their cards to store clerks. It is the foundation for “next generation” functionalities such as loyalty programs and reward redemptions. Contactless payment expansion will continue as card portfolios expand and as existing cards become enabled for contactless payments.

### **Will contactless payment cards be used anywhere other than the traditional, face-to-face point of sale?**

Contactless payments acceptance is growing in locations that typically rely on quick checkouts and cash payments. Contactless payments may also expand to emerging merchant segments such as unattended parking, transit (subway station turnstiles, etc.) and other non-retail merchants.

### **Is contactless payment technology the same as RFID (radio frequency identification) technology?**

No, there is a wide range of radio frequency (RF) technologies used for a variety of applications. RFID technologies are designed to operate over longer ranges (approximately 25 feet) and typically provide minimal security and privacy support. Contactless card payment technology is designed to operate at a very short range (less than two inches) and supports the security capabilities required for financial services.\*

\*Smart Card Alliance: Contactless Payments, FAQs, 02/07

For Issuers

### **What is the difference between biometric technology and contactless payments?**

Biometric technology relies on a finger scan to verify a cardholder’s identity for a transaction authorization. With contactless payments, a cardholder authorizes a transaction by using radio frequency technology to transfer account information from a payment device, such as a card, key chain fob or mobile phone to a point-of-sale reader.

### **Is contactless payment technology available for both credit and debit cards?**

Yes, contactless payment technology can be added to any payment card product—credit, debit and prepaid programs.

### **Can Discover® Network Zip<sup>SM</sup> be integrated into mobile phones?**

Yes, cardholders can use their mobile phones to make purchases with Discover Network Zip. Zip can also be integrated into other payment devices, such as key chain fobs and personal digital assistants (PDAs).

### **What security standards do contactless payments follow?**

To help minimize your exposure to fraudulent activity, Discover Network Zip uses security features unique to contactless payments. A random card verification value is generated with each transaction which further protects cardholder data.



### Is the information passed in a contactless payment transaction the same as the track data of a magnetic stripe card?

Like magnetic stripe transactions, contactless payments utilize ISO 8583 track data. However, they use specific contactless transaction data elements: the POS entry mode value; the service type code; and the discretionary data information.

### Is there a common merchant point-of-sale (POS) acceptance mark for contactless payments?



Yes, American Express®, Discover Network, MasterCard® and Visa® use a common acceptance symbol that helps consumers easily recognize a contactless payments reader. Contactless payment readers will also include an additional Discover® Network Zip<sup>SM</sup> overlay to promote its acceptance.

### Can contactless payment transactions be distinguished from other transactions in the payment system?

Yes, Discover Network has implemented new indicator requirements and other unique identifiers to distinguish contactless payment transactions from traditional card payment transactions. The merchant's payment processor must program the merchant's POS terminal to recognize Discover Network's RF POS Entry Type Codes.

- Field 22, Value 81= Contactless Payments Flag (card/fob)
- Field 22, Value 82= Mobile Payments Flag (phone/PDA)

Merchant payment processors must also provide ISO coding requirements for Discover Network's RF POS Entry Type codes to their merchants.

\*Discover Network requires that all issuers on the network support security features unique to contactless payments via their authorization and personalization systems and utilize this security feature to ensure the highest security measurements are met.

### What are issuers' technical requirements for Discover Network Zip contactless cards?

- Select a card manufacturer that is either approved or can be certified by Discover Network, who can meet our stated technical requirements
- Select a personalization bureau that can support the Discover Network Zip payment application including security features unique to contactless payments\*

### Is there an additional cost to issuers associated with offering a contactless payment card product?

The incremental costs are driven by the card volume and design. Contactless payment devices such as fobs and mini cards are typically more expensive than contactless cards, but quantities, design and packaging are also factors. Card vendors can provide more information about the cost of contactless cards and devices.

**Contact your Discover Network Relationship Manager for more information about issuing Discover Network Zip.**

For Issuers

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