

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.

Can Discover® Network ZipSM 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).

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.*

What security standards do contactless payments follow?

To help minimize your exposure to fraudulent activity, Discover Network Zip uses security features unique to contactless cards. A random authorization value is generated with each transaction which further protects cardholder data. Discover Network also adheres to the international standard adopted for contactless payments (ISO/IEC14443).

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.

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


For Merchants



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.

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 also helps consumers easily recognize a contactless payments reader. Contactless payments readers will also include an additional Discover® Network ZipSM overlay to promote its acceptance.

Will a single POS terminal be available to accept both Discover Network Zip and other contactless payments?

Yes. Discover Network, MasterCard, Visa and American Express will all offer POS payment solutions that support the same standard for radio frequency (RF) cards—ISO 14443 A/B.

You must have peripheral readers/integrated terminals configured for all payment brands you want to accept.

Are there costs to upgrade a POS terminal/solution for accepting contactless payments?

There is an incremental cost. The expense depends on your existing infrastructure and your POS contactless acceptance solution choice. Contact your POS solution provider for exact costs.

What types of readers and POS systems accept Discover Network Zip?

Two basic types of readers are available: Peripheral Contactless Readers (PCRs) that plug into existing conventional POS terminals; and Integrated Contactless Readers (ICRs) that replace traditional readers, offering both magnetic-stripe and contactless-reading capabilities.

In addition to traditional countertop terminals, readers are available for a range of specialty environments, including fuel pumps, ticket windows and drive-throughs.

If a consumer has multiple contactless payments devices (cards, fobs, etc.), how does the contactless payment reader know which payment device to read?

The contactless POS software prevents multiple devices from being read. To ensure a deliberate card read, a single contactless payment device must be placed within two inches of the reader.

Do Discover Network Zip transactions require a signature?

At merchants belonging to certain Merchant Category Codes (MCCs), transactions under \$25* will not require a signature, following the same rule as traditional magnetic stripe payments.

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.

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.

Contact your Discover Network Relationship Manager for more information about accepting Discover Network Zip payments.

*Refer to the Discover Network Operating Regulations for more details.