



October 14, 2019 - Mastercard Transaction Processing Excellence (TPE) Program

Mastercard is introducing two new fees as part of its Transaction Processing Excellence (TPE) Program to drive positive processing behaviour:

- Excessive Authorization Attempts Fee
- Nominal Amount Authorization Fee

Moneris will pass through these Mastercard fees to merchants if their processing activities trigger the fees, as described below.

Excessive Authorization Attempts Fee

Mastercard is introducing a fee for merchants who submit excessive authorization attempts. Mastercard defines an excessive authorization attempt as each authorization (i) after 20 previously declined authorizations, (ii) made on the same card, (iii) on the same merchant account, and (iv) within a 24-hour period.

Effective **October 14, 2019***, for each excessive authorization attempt as defined above, a fee of **USD \$0.10** will be applied. If you incur this fee, it will be passed through to your account and appear as *"Excessive Authorization Attempts Fee"* on your statement.

Below is a common example of an excessive authorization attempt:

- A merchant's ecommerce site is attacked by a fraudster, who uses a bot to make purchase attempts repeatedly as a way to test if a credit card number is valid.

Taking the following actions may reduce the risk of excessive authorization attempts and help you avoid this fee:

- Add an anti-spam program: web applications like CAPTCHA that ask the user to answer a response test can be used to determine whether the user making the purchase is a human or a robot
- Ask for CVC2:
 - this confirms that the customer has the physical card or is in possession of the card when they call in
 - allows the issuer to match the 3 digit code provided by the customer to what is on record
- Activate Mastercard Identity Check (formerly SecureCode): this tool helps authenticate the cardholder and the credit card during the online shopping process



- Use Address Verification Service (AVS): matches the address the customer provided to the address on record with the credit card company

There is no single solution to fraud. However, combining the above recommendations can help significantly reduce fraudulent transactions and your risk of triggering the Excessive Authorization Attempts Fee. For more information about how you can minimize the risk of fraud, visit [Moneris.com/fraud](https://www.moneris.com/fraud).

Nominal Amount Authorization Fee

Mastercard is introducing a fee to deter merchants from validating a card's status by authorizing a nominal amount and subsequently reversing the authorization. Mastercard defines nominal amount as equal to or less than CAD\$1.00 (or an equivalent single unit of currency, if the transaction currency is not CAD).

Effective **October 14, 2019**, for each nominal amount authorization (as defined above) received for a card-not-present (CNP) transaction that the merchant subsequently reverses, a fee of **USD \$0.045** will be applied. If you incur this fee, it will be passed through to your account and appear as "*Nominal Amount Authorization Fee*" on your statement.

Below is a common example of a reversal of an approved nominal amount authorization:

- CNP merchants often receive cardholder information first (via ecommerce, telephone or mail) before they can actually charge the card. For example, a customer opts-in to a monthly magazine subscription by a mailed form, but the merchant can only charge the customer at the end of the month. As a way of verifying cardholder information, the merchant authorizes a nominal amount transaction, then subsequently reverses the transaction.

Taking the following actions can help you minimize the risk of triggering this fee:

- Pre-authorize the transaction for the full amount and complete or reverse the transaction within 30 days.
- Follow the correct cardholder verification process and use card verification for any account status checks. For more information on the cardholder verification process, visit developer.moneris.com or contact us at 1-866-319-7450.

***Revised from July 15, 2019.**