

AMERICAN EXPRESS

Frequently Asked Questions American Express Contactless

An American Express contactless transaction is a payment transaction initiated between a contactless card or devices such as mobile phones, fobs and stickers and a contactless-enabled terminal or reader. American Express Card Members can touch or tap their contactless card or device to the contactless reader to pay and go.

Q1 **What is the difference between a contactless card and a contact chip card?**

Chip card technology was designed to reduce counterfeit, lost/stolen and card-not-received fraud. Chip cards can either be contact or contactless.

Contact EMV™ chip cards refer to either “Chip and PIN” or “Chip and Signature” cards. It utilizes microprocessor chips which securely store card data. The card is inserted into a terminal reader designed for smart cards. Depending if the card is “Chip and PIN” or “Chip and Signature” it will require the Card Member to either enter a PIN for authorization at the point of sale or sign for the transaction as with magnetic stripe cards.

Contactless transactions are initiated when a contactless-enabled device is touched or tapped in front of a contactless reader at the point of sale. Account and security information is sent using radio frequency, from the contactless device to the reader. Both the device and the reader contain small antennae that allow data communication to take place.

Q2 **Are contactless card payments secure?**

Yes. Contactless cards benefit from the same security features found on a contact EMV chip card. When a contactless transaction is run through a contactless-enabled reader and terminal, information is encrypted and securely sent to the host with the purchase details.

Q3 **What does American Express call its contactless payments specification?**

The American Express contactless specification is called Expresspay, ensuring global interoperability of American Express contactless payment transactions regardless of where they are processed. Once Expresspay is enabled, contactless transactions can be initiated in both EMV and non-EMV markets. Expresspay specifications support both Mobile NFC initiated transactions and contactless card payments.

Q4 **How are contactless cards and contactless-enabled terminals identified?**

The EMVCo Contactless Symbol and Indicator* marks identifies contactless terminals and payment devices. These icons are now used world-wide to signal contactless payments capability and are easily recognized by consumers in regions where contactless payments have become commonplace.



THE CONTACTLESS INDICATOR*: The American Express contactless product has the EMVCo Contactless Indicator on the front and/or back an American Express® contactless-enabled card.



THE CONTACTLESS SYMBOL*: Contactless-enabled readers and terminal devices bear the EMVCo Contactless Symbol.

* The Contactless Symbol and Indicator are owned by EMVCo., the standards body for contact and contactless specifications, is jointly owned by American Express, JCB, MasterCard, UnionPay and Visa. EMVCo manages, maintains and enhances the EMV Integrated Circuit Card (ICC) specifications to help facilitate global interoperability and compatibility of cards and acceptance devices.

Merchant

Q1 **What are some of the potential benefits of contactless payments for merchants?**

- Improve efficiency at the point of sale by moving customers through the lines faster and with fewer resources.
- Enhance payment security at the point of sale.
- Partner with American Express to use data analytics to understand consumer spending patterns to promote loyalty and for marketing initiatives.
- Help to reduce cash handling and optimize operations.

Q2 **Are merchants required to get a customer's signature or pin number for contactless transactions?**

Cardholder verification requirements for contactless transactions vary by market and the contactless terminal limits set by the acquirer. In markets where high value contactless transactions are the standard, then a form of cardholder verification will be required above a certain threshold. The method of cardholder verification may be PIN or Signature. In markets where the contactless transaction limit is set at a lower value, cardholder verification is typically not required, in accordance with the American Express No Signature Threshold.

Q3 **Do merchants need to replace existing equipment in order to accept contactless payments?**

Not necessarily. In fact, contactless readers are available from major manufacturers and have been certified for American Express contactless payments. American Express certified contactless readers are also compatible with a variety of terminals. Merchants should work with their terminal provider to determine what solutions are available. Merchants who own point-of-sale readers or integrated terminals may need to upgrade equipment to accept American Express contactless payments. These readers or terminals must complete required testing and certification. Electronic cash register (ECR) and point-of-sale system software may also need to be updated in order to process.

Q4 **If a merchant has a contactless reader that accepts another network solution, will the merchant be able to accept American Express contactless payments?**

The merchant can contact the terminal provider to ensure that the existing equipment is certified to meet American Express specifications. If not, the terminal provider may need to upgrade the device to accept American Express contactless payments.

Q5 **What is the cost and timeline for implementing contactless payments?**

Costs and timelines will depend on the merchant's current point of sale environment.

- If the merchant's processor supplies the POS device, implementation may involve changing or upgrading the POS device to accept American Express contactless payments and costs associated with internal communications and training.
- If merchants own their POS device, costs can vary based on a number of factors, including:
 - Purchasing or upgrading new readers or terminals to support contactless acceptance.
 - Update internal systems to support contactless data and processing.
 - Internal communications and training.

Please contact your American Express representative for additional information.



Issuer

Q1 **What are some of the potential benefits of contactless payments for issuers?**

- Take advantage of opportunities to grow revenue.
- Help drive top-of-wallet preference.
- Create a better customer experience.
- Help increase card usage by displacing cash for small purchases.
- Help attract new segments and extend product appeal.
- Ensure a secure and protected shopping experience to gain Card Member trust and confidence.

Q2 **How long will it generally take for an Issuer to launch a contactless product?**

It depends on a number of factors that may include:

- Product development and certification card platforms.
- Update card production and personalization process.
- Updating host and downstream systems to process Expresspay transactions.
- Product launch Card Member communication.

Q3 **What is the cost for implementing contactless payments?**

The cost of implementing contactless payments depends on the development required to prepare internal systems to process contactless payments.

Q4 **What are the American Express certification requirements for contactless?**

American Express requires contactless card and mobile products to complete end to end certification. Please contact your American Express representative for information about your individual circumstances.

Card Member

Q1 **What are some of the potential benefits of contactless payments for Card Members?**

- Enhance the purchasing experience through quick and convenient transactions
- Ensure a secure and protected shopping experience to gain customer trust and confidence
- Enable consumer-preferred forms of payment
- Create a convenient and rewarding point of sale experience

Q2 **Is there any risk of Card Members getting charged accidentally if they get too close to a contactless reader?**

If the Card Member gets close to a contactless reader, the Card Member would not be charged accidentally. Before a contactless transaction can take place, the retailer must activate the contactless reader with the purchase details. The Card Member must then hold their card or device within 4 cm (2 inches) of the contactless reader for more than half a second.

Q3 **If a Card Member has more than one contactless card in their wallet how can they ensure the payment is taken from the right Card?**

An American Express Card Member should always remove their card from their wallet when making a contactless payment and present that card to the terminal reader separately.

If more than one card is placed on the reader, a red light will be shown on the reader to tell the Card Member that the payment has not completed. The Card Member will need to select their chosen card and touch the reader again for the payment to be complete.

Q4 **Does a Card Member have to use the contactless feature?**

No. Contactless technology is an additional feature on the card, however it is up to the Card Member whether they chose to pay via contactless or contact (i.e. Chip & PIN).

Q5 **How does a Card Member know when the payment has been made??**

The card reader will indicate that the payment has been made with a green light and beep to indicate successful payment.

Q6 **Will a Card Member receive a receipt for their transaction?**

Contactless payments are designed to let Card Members make transactions quickly and conveniently. If a Card Member would like a receipt to confirm the contactless transaction, the merchant may be able to provide one upon request. Please note that this may not be directly available in certain circumstances; for example, when paying for transit with a contactless card.

