



News Release

PULSE Introduces PIN Debit for E-commerce Transactions

Secure Internet PIN Debit Transactions Deliver Issuers Reduced Fraud and Chargebacks

HOUSTON, July 14, 2010 – PULSE, one of the nation’s leading debit/ATM networks, is bringing the security, reliability and convenience of PIN debit to online shopping with the introduction of PULSE® Internet PIN debit.

Financial institutions using PULSE Internet PIN Debit can deliver convenient PIN-based, online transaction verification to a growing number of consumers who purchase products from e-commerce merchants. The new payment solution, which uses Acculynk’s PaySecure® Internet PIN debit software, reinforces the issuer and cardholder relationship by using a financial institution-branded graphical PIN pad.

According to a forecast from Javelin Strategy & Research, online retail transaction volume is expected to reach \$268 billion by 2013. However, as many as 15 percent of debit cardholders have PIN-only debit cards, which previously could not be used for Internet purchases.

A separate Javelin study conducted last year found that 79 percent of consumers surveyed would feel more comfortable using debit cards online with a PIN than without it. PULSE network issuers can now address this need with Internet PIN debit transactions, giving cardholders the option to use their PIN debit cards for e-commerce in an easy and safe manner.

PULSE confirmed cardholders’ acceptance of the technology in a 2009 pilot, which used PaySecure. In the pilot, 54 percent of debit cardholders paying for online purchases preferred to enter a PIN when presented with the choice of PIN or signature options to complete the transactions. Additionally, chargebacks were reduced 77 percent compared to signature debit transactions, and there were no instances of fraudulent transactions.

“Our successful pilot confirms that debit cardholders are comfortable entering a PIN when shopping online,” said Judith McGuire, PULSE senior vice president of product management. “With PULSE Internet PIN debit, financial institutions can offer cardholders a secure, trusted and preferred payment option for online purchases. The product gives consumers with PIN-only debit cards a new payment choice, and should appeal to cardholders who already prefer to enter their PIN at brick-and-mortar retailers.”

How PULSE Internet PIN Debit Works

When consumers check out in the usual manner from a merchant website using cards that participate in PULSE Internet PIN Debit, they are given the option of completing the transaction with a PIN. Consumers who select this option are prompted to enter their PIN to complete the transaction, using a graphical, scrambling PIN pad that can be customized with the card issuer’s logo and debit card design. The cardholder clicks the mouse on a number and the PIN pad re-scrambles as each subsequent digit is selected. The PIN is not captured on the computer, nor is it transmitted over the Internet.

The solution makes a general phishing attack difficult because several unique attributes are displayed during the transaction, including merchant branding, financial institution identifiers and the VeriSign Secured® Seal. In addition, Acculynk’s Internet PIN debit software service is integrated directly into the online checkout process, eliminating the need for cardholders to enroll or be redirected to another site to complete purchases.



A demonstration of PULSE Internet PIN Debit and more product information is available at www.pulsenetwork.com/ipd.

About PULSE

PULSE, a Discover Financial Services (NYSE: DFS) company, is a leading ATM/debit network, serving more than 4,400 banks, credit unions and savings institutions across the United States. The network links cardholders with ATMs and POS terminals at locations nationwide. Through its global ATM network, PULSE provides worldwide cash access for Diners Club and Discover cardholders through hundreds of thousands of ATM locations. The company is also a source of electronic payments research and is committed to providing its participants with education on emerging products, services and trends in the payments industry. For more information, visit www.pulsenetwork.com.

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