



## News Release

March 23, 2009

### **PULSE to Pilot Secure Internet PIN Debit Technology**

*Debit network partnering with Acculynk, financial institutions and major merchants to test consumer use of PIN debit for Web-based shopping*

**HOUSTON** — PULSE, one of the nation's leading ATM/debit networks, has signed an agreement with Acculynk under which PULSE will test Acculynk's PaySecure® Internet PIN debit technology in a pilot program. The pilot will involve selected PULSE merchant and financial institution participants and is slated to begin in the second quarter of 2009.

The goal of the pilot test is to assess consumer acceptance of Internet-based PIN debit transactions. Acculynk's technology enables consumers to use their debit cards with a personal identification number (PIN) to pay for online purchases.

"Internet-based PIN debit has tremendous potential value for consumers, who enjoy the convenience of debit cards," said Judith McGuire, PULSE senior vice president, product management. "Of debit users who have a preference, 56 percent prefer PIN authentication over signature," McGuire added, referring to the findings of the Hitachi Consulting/BAI 2008 *Consumer Payment Preferences Study*. "We also believe this new payment option could provide significant value to both card issuers and merchants, driven in part by reductions in fraud and cardholder disputes."

"In addition to reducing fraud losses and chargebacks associated with online purchases, Internet PIN debit is predicted to increase online debit purchase transactions," said Acculynk President Nandan Sheth. "These incremental transactions will come from three sources: consumers who have PIN-only debit cards, individuals who are currently hesitant to use their signature-enabled debit cards online without the PIN authentication, and consumers who are inclined now, or in the future, to use alternative Internet payment methods."

#### **How it Works**

Acculynk's PIN-pad technology integrates directly into the merchant checkout process, providing a seamless experience for online shoppers. The consumer will be aware of the PIN entry option only if his or her card is enabled for PIN debit. The consumer will have the choice of entering their PIN or completing the purchase as a signature debit transaction.

Acculynk's Internet PIN debit service utilizes many advanced security features, including a graphical, scrambling PIN pad for the secure entry of PIN data. The PIN pad numbers appear on the purchaser's computer monitor in random order, and the numbers re-scramble each time the cardholder clicks on a digit of his or her PIN using the mouse.

The PIN itself is not captured on the consumer's PC nor is it transmitted over the Internet. Instead, Acculynk captures and encrypts data associated with the PIN entry process, then transmits that encrypted data in a separate message from the message used for the card number. This makes it extremely difficult for fraudsters to capture any information that could be used to compromise a consumer's debit card or account. In addition, producing a counterfeit card would be virtually impossible because the magnetic stripe data is not captured during the online transaction.

“PULSE believes that Internet PIN debit could provide significant benefits to cardholders, e-commerce merchants and financial institutions,” said McGuire. “Our pilot program will help us determine whether this product delivers a favorable cardholder experience.”

### **About PULSE**

PULSE is one of the nation’s leading ATM/debit networks, currently serving more than 4,500 banks, credit unions and savings institutions across the country. PULSE is owned by Discover Financial Services (NYSE: DFS). The network links cardholders with more than 289,000 ATMs, as well as POS terminals at retail locations nationwide. The company is also a valued resource for industry research related to electronic payments and is committed to providing its participants with education on evolving products, services and trends in the payments industry. For more information, visit [www.pulsenetwork.com](http://www.pulsenetwork.com).

### **About Acculynk**

Acculynk is a leading technology provider with a suite of software-only services that secure online transactions. Backed by a powerful encryption and authentication framework protected by a family of issued and pending patents, Acculynk’s services provide greater security, reliability, convenience and return on investment for consumers, merchants, networks, issuers and acquirers. Acculynk is headquartered in Atlanta, Georgia, with a management team that brings extensive experience in the financial, network, security and payment processing industries. For more information, visit [www.acculynk.com](http://www.acculynk.com).

# # #

### **Contacts:**

Anne Rhodes  
PULSE  
(832) 214-0234  
[arhodes@pulsenetwork.com](mailto:arhodes@pulsenetwork.com)

Danielle Duclos  
Acculynk  
(678) 894-7013  
[dduclos@acculynk.com](mailto:dduclos@acculynk.com)