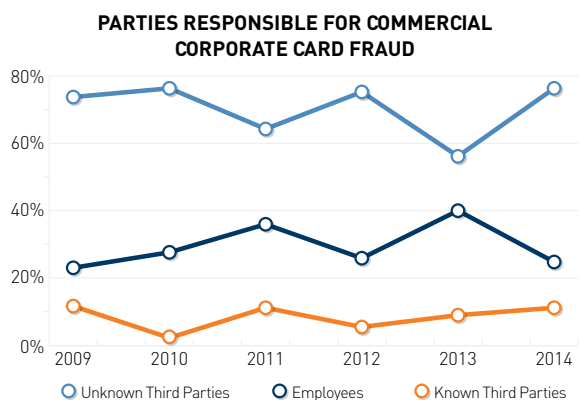


CORPORATE CARDS: PROTECTION FROM FRAUD

In the Winter 2014 issue of *Payment Solutions News*, we discussed PNC’s launch of enhanced Visa® Corporate Cards. Between 2009 and 2014, corporate card volume at PNC rose at a 32% compound annual growth rate (CAGR)—significantly higher than 12% for American Express® and 6% for Visa/MasterCard® issuers—as our clients were availed of the many benefits provided by these travel-and-entertainment (T&E) cards.

When companies deploy corporate cards, they must ensure that there are safeguards in place to protect against both external and internal fraud. According to the 2015 AFP Payments Fraud and Control Survey, unknown external parties were responsible for 77% of corporate/commercial card fraud, followed by employees (25%) and third-parties/outsourcers (16%).¹ *Note that percentages add to more than 100%, as a fraud attempt could be attributed to multiple parties.*



Fraud protection for our commercial payments clients has consistently been a critical area of focus at PNC. Our efforts in this regard have been recognized by the payments industry, most recently in Visa’s 2014 Service Quality Awards. PNC received the Highest Authorization Approval Rate award for international transactions, as well as the Highest Non-Fraud Chargeback Effectiveness award.

DID YOU KNOW?

PNC works hard to reduce fraudulent transactions for companies and employees. Over the last quarter, PNC prevented \$700,000 worth of fraudulent activity that would have occurred on over 1,400 accounts. These fraudulent attempts occurred on nearly 5,000 transactions across the more than 7.5 million transactions that PNC Commercial Card services processed over that time period.

Less than half a percent of our transactions are false positive, meaning over 99.5% of transactions that PNC blocks due to fraud are actually fraudulent in nature. PNC continues to invest in ways to minimize fraud while ensuring authorized company cardholders do not experience declines at the point of sale.

PNC provides an array of controls and protections for clients that aim to prevent card fraud, provide early warnings of fraud taking place, as well as insure against fraud that has taken place.

In addition, we work closely with clients to help ensure that these solutions are being effectively deployed. The table on the following page provides insight into PNC’s fraud protection measures.

	PREVENTION			DETERMINATION			MITIGATION		
	Card Controls			Monitoring and Alerts			Insurance		
Protection	Merchant category code (MCC) restrictions	Spending limits	Other restrictions	Visa Advanced Authorization	Compromised Account Management Systems (CAMS)	Text alerts	Insurance for employee fraud or misuse		
Additional Detail	Limits cardholder spending to specific merchant types related to their business activities	Limits on individual purchase amounts or number of card transactions per day/month	Restrictions on cash withdrawals or international usage	24x7 fraud monitoring that uses risk detection technologies to evaluate authorizations and alert clients to potential fraud in real time	Visa fraud alert system that reports stolen/ recovered or compromised cards to all issuers	Cardholders receive text messages when suspicious activity is detected on their cards	Visa Liability Waiver Program provided at no additional cost	Coverage of up to \$100,000 per card under the Program	Coverage begins 75 days prior to termination notice and extends to 14 days after termination notice
What Client Needs To Do	Controls are set by the program administrator, and can be customized at the cardholder, department or organization level.			Cardholder elects to receive alerts, Cardholder verifies the suspicious activity or files a notification of fraud activity			Client must contact PNC to request that liability for fraudulent charges be waived in accordance with the Visa Commercial and Business Card Liability Waiver Program		

COMING SOON

PNC is readying the launch of our newest tool in the fight against payments fraud, Visa IntelliLink® Compliance Auditor. Designed for card program administrators and auditors, Visa IntelliLink Compliance Auditor monitors transactions and identifies questionable purchases.

By accessing detailed transaction documentation, the tool can help to uncover fraud and card misuse. Talk to your PNC Treasury Management Officer for more information.

Meet with your Treasury Management Officer or Account Manager to learn more about how to protect your company from the threat of payments fraud.

¹ "As City Governments Eye New Tech, Payments Play a Vital Part," Payments Source, March 11, 2014

This PNC Payments Solution News was prepared for general information purposes and is not intended as legal, tax or accounting advice or as recommendations to engage in any specific transaction, and does not purport to be comprehensive. Under no circumstances should any information contained in this newsletter be used or considered as an offer or commitment, or a solicitation of an offer or commitment, to participate in any particular transaction or strategy. Any reliance upon any such information is solely and exclusively at your own risk. Please consult your own counsel, accountant or other advisor regarding your specific situation. Neither PNC Bank nor any other subsidiary of The PNC Financial Services Group, Inc. will be responsible for any consequences of reliance upon any opinion or statement contained here, or any omission.

PNC, PINACLE and ActivePay are registered marks of The PNC Financial Services Group, Inc. ("PNC"). All other trademarks are the property of their respective owners.

Bank deposit, treasury management and lending products and services are provided by PNC Bank, National Association, a wholly owned subsidiary of PNC and Member FDIC.

Lending and leasing products and services, including card services and merchant services, as well as certain other banking products and services, may require credit approval.

The American Express trademarks, logos and service marks ("Marks") are the property of American Express and other parties.

MasterCard is a registered trademarks of MasterCard International Incorporated.

Visa & Visa IntelliLink are registered trademarks of Visa International Service Association in the United States and used under license.

EMV is a registered trademark in the U.S. and other countries, and is an unregistered trademark in other countries, owned by EMVCo.

©2015 The PNC Financial Services Group, Inc. All rights reserved.

