



Insights with

CURRENCY SELECT

4th October 2016

Welcome to the first edition of our Currency Select newsletter. We aim to produce this quarterly to provide our valued merchants important industry news, updates, card scheme compliance and tips on maximising our services.

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GLOBAL BLUE – Our Parent Company

From the 1st April 2016, Currency Select became a wholly owned subsidiary of Global Blue. Global Blue operates one of the world's biggest and most trusted Tax Free Shopping networks, providing its customers with savings of up to 19% on everything they purchase abroad at any of Global Blue's 270,000 shopping partners.

Global Blue's vision is to be the go-to brand for merchants and banks wishing to increase their business from international travellers, and for travellers who want to get more from shopping abroad. This means striving to be the perfect travel companion for globe shoppers, a business generator for merchants and a business partner for banks.

Global Blue's mission is to add value to the interaction between merchants and shoppers via a comprehensive suite of services and deep understanding of international shopping and spending.

Learn more about Global Blue at www.globalblue.com

Currency Select are very excited about the future and the opportunities ahead of us, and look forward to continuing our journey under the ownership of Global Blue. This acquisition reinforces our business strategies to date and affirms our plans for the future, continuing to innovate in the DCC and MCP payments space.

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CHARGEBACK & DISPUTE PROCESSING

As a business that accepts credit card payments, its important you follow the 'best practice' guidelines to avoid chargeback's and disputes, which can lead to significant financial losses to your business.

Please ensure you and your staff are following these procedures:

- Under no circumstances should you refund a virtual or pre-paid card. This is because they are single use only cards and it is almost impossible to recover the funds. If you need to give money back, the cardholder needs to raise a chargeback through their bank to recover the funds.
- When you receive a Chargeback letter from Currency Select, please ensure you read the contents. This will help you to understand the reason behind the chargeback and allow you to provide the requisite documents to us for the Issuing Bank.
- You should never refund invalid cards as the cardholder will not receive these funds.
- Under no circumstances should you refund or process on dummy cards in order to balance with Micros Workstations. This causes processing issues and can delay in you receiving your settlements.

DID YOU KNOW ?

Currency Select provides Dispute and Fraud Training, should you wish to avail yourselves of this service please contact your Currency Select Customer Relationship Manager.

THE WHAT, WHY & HOW OF PRE-AUTHORISATIONS

What is a pre-authorisation?

A pre-authorisation is an authorisation or 'hold' of funds without intending to process a transaction immediately.

Why take a pre-authorisation?

Commonly used in the accommodation industry, the authorisation validates the credit card presented, ensures that the cardholder has sufficient available credit, and that the card has not been reported as lost or stolen.

How does a pre-authorisation work?

When you take a pre-authorisation, the card issuer bank will 'hold' the funds until the transaction is completed. If you don't complete a pre-auth the card issuer will release the funds back to the cardholders account after a number of days (usually within 10 days but up to 30 days).

Please ensure you and your staff are following these procedures:

- Never take \$1 pre-authorisations. The reason for this is because if you do and then charge the cardholder a higher amount – e.g. \$1,000, under card scheme rules the cardholder is entitled to chargeback all but the \$1 **plus** a 15% margin. It should be noted that the Issuing Bank may also raise the chargeback as 'No Authorisation Obtained'. There is nothing you can do to reclaim your funds in this case other than Civil Action.
- Make sure you take a pre-authorisation before processing a completion.

DCC Compliance Requirements

As a registered DCC merchant, there are specific compliance requirements set-out by Visa and MasterCard that must be adhered to when offering this service to your customers. These requirements form part of your agreement and obligations to offer the DCC service.

Please ensure you and your staff are following these procedures:

Cardholder Choice

The cardholder must always be given the choice to pay in either their home currency or Australian Dollars. You must never opt them in by default without their consent or knowledge.

Steering

The cardholder must not be steered into paying in their home currency by making biased, inaccurate or unwarranted claims about either payment option. In addition it is against the rules to penalise a cardholder if they do not elect to use DCC.

Transaction Receipt

The customer copy of the DCC transaction receipt, which includes all information relevant to the DCC transaction, must be provided to the cardholder.

Disclosure

All information relevant to the DCC offer must be presented to the cardholder in either a written or electronic format before they select their option. The information cannot be disclosed verbally unless accompanied by one of the options above.

Active Choice

A cardholder's decision to pay in either AUD or their home currency cannot be provided verbally by the cardholder. The cardholder must either select their payment option on the POS terminal by pressing the corresponding key or alternatively tick their preferred payment choice on the optional DCC printed offer docket at which point the merchant may then select the corresponding option on the terminal on their behalf.

CURRENCY SELECT ONLINE ACADEMY

Currency Select are excited to announce that as part of the Global Blue group we can now offer all our merchants exclusive access to our online merchant training portal. This is the first step in developing a range of online training tools to assist you and your staff in servicing your customers. Dynamic Currency Conversion (DCC) training is mandated by the Card Schemes for all customer-facing staff at each of our merchant sites to ensure that the service is being offered in accordance with their compliance guidelines. The DCC Online Academy training course takes about 20 minutes per person and is a great way to educate your team, each staff member will also be provided with a certificate upon completion.

If you would like more information about how to access Online Academy for your team please contact your Relationship Manager directly.

DCC – THE EXCHANGE RATE EXPLAINED

Advertised Rates

- Advertised rates are based on the 'official CASH rate'. These rates are not available to the general public.
- Advertised rates are based on CASH – not using your credit card.
- Advertised rates can also fluctuate throughout the day. The Currency Select Exchange Rates are locked in for 24 hours.

Bank Rates

- Exchange Rates advertised on bank websites are based on buying and selling CASH.
- Rates advertised on bank websites do not usually include their FEES.
- For purchases in AUD, it takes approximately 2-3 business days for the transaction to be processed. The Exchange Rate is applied on the day of processing – not the day of purchase.

SO THE DIFFERENCE IS?

The Currency Select Exchange Rate is locked in at the time of the purchase, includes the margin to convert from the local currency to the home currency and guarantees the cardholder the Exchange Rate and purchase amount at the time of their transaction.

GUARANTEED RATE – NO DELAYS – NO GUESSING

Meet the DCC Relationship Team

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Phil is responsible for our global acquirers and account relationships.

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Alvin Mallari - Business Development Manager.

Alvin is responsible for providing our customers throughout Australia with additional services such as China Union Pay, Apple Pay and eCommerce DCC facilities.

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