



IFR 2015-751 – Co-badging and choice of payment brand or payment application – Bits recommendation

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TLP: WHITE

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1 Background

REGULATION (EU) 2015/751 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 29 April 2015 on interchange fees for card-based payment transactions must be implemented also in Norway. Therefore, Bits comes with a recommendation for all relevant parties how to implement the regulation. This document addresses point 4 and 5 in §4 in "Forskrift om formidlingsgebyr i kortordninger mv.» [FIN-DEP].

One of the objectives with this document is that the, end-users will experience similar interfaces across the country and hence a user-friendly practice.

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3 Document Information

3.1 Change History

Version	Status	Date	Editor
1.0	First version	23.08.2016	Erik Bergersen
1.1	Approved by Bits	04.01.2017	Erik Bergersen
1.2	Approved by Bits	08.05.2018	E. Bergersen

3.2 Change Log

Version	Changes from previous version
1.1	<ul style="list-style-type: none"> Added figure to displayed preferred application on POI Updated figures to indicate that cardholder has pressed 'Corr/Clear' to select application
1.2A	<ul style="list-style-type: none"> Recommendation to display contactless symbol on the screen before amount is known is modified. Changed text related to mobile contactless payments (section 4.3). Update version of SCS – Book 6 – Implementation guidelines Updated figure in section 4.2

3.3 Reference Documents

Short name	Document	Source
[EU-REG-751]	REGULATION (EU) 2015/751 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 29 April 2015 on interchange fees for card-based payment transactions	EU
[EPC020-08]	SEPA CARDS STANDARDISATION (SCS) "VOLUME" – Book 6 – Implementation guidelines, Vol Ref 8.6.2.00	CSG
[FIN-DEP]	Forskrift om formidlingsgebyr i kortordninger mv. https://www.regjeringen.no/no/dokumenter/forskrift-om-formidlingsgebyr-i-kortordninger-mv/id2506350/	FIN-DEP

3.4 Definitions

Term	Definition

3.5 Abbreviations

Term	Abbreviation
EU	European Union
CSG	Cards Stakeholder Group
CNP	Card not present
POI	Point of interaction

3.6 Terminology

The key words "MUST", "MUST NOT", "REQUIRED", "SHALL", "SHALL NOT", "SHOULD", "SHOULD NOT", "RECOMMENDED", "MAY" and "OPTIONAL" in this document are to be interpreted as described in RFC 2119.

3.7 Latest version of the document

Latest version of this document can be obtained by contacting post@bits.no

3.8 Traffic Light Protocol (TLP)

Bits AS uses TLP in accordance with «FIRST – TLP Standard Definitions and Usage Guidance». (<https://www.first.org/tlp>) and (<http://www.bits.no/tlp>)



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4 Override preferred application

This section contains the recommendations for application selection on POI, in physical store with co-badged card applications. The recommendation addresses point 6 in article 8 in Interchange Fee Regulation [EU-REG-751]. In addition to point 4 and 5 in §4 in “Forskrift om formidlingsgebyr i kortordninger mv.» [FIN-DEP].

4.1 Contact payment

The cardholder shall be able to override the preferred application set by the merchant. To override the preferred application, the cardholder will need to press “Corr/Clear” (yellow button) before the card is inserted or presented card to the POI.

The POI should indicate that the cardholder has initiated an override of the preferred application after the “Corr/Clear” button has been pressed.

The figure below illustrates the scenario where the cardholder overrides the preferred application. On the first screen the cardholder needs to press the “Corr/Clear” button. The second screen indicates that the cardholder will choose the application. A menu of supported applications by the merchant and the card is presented when the card is inserted on the third screen. After the cardholder has selected the application, the terminal asks the cardholder to enter PIN, and displays amount and the selected application.

If the cardholder does not choose to override the preferred application, the cardholder will be presented the last screen in figure 1 after the card has been inserted (This require a merchant that has Visa as the preferred application).

If technical possible, the POI should display the preferred and/or selected application on the POI, see section 4.5.



Figure 1: Suggested flow to override preferred application on POI

4.2 Contactless payment

The flow for overriding preferred application on contactless payment will be similar to section 4.1. The cardholder is required to press the “Clear/Corr” button and then present the card to the POI. The cardholder will then be able to select application, before the card is presented to the POI again to perform the payment. The flow is illustrated in figure 2.

If technical possible, the POI should display the preferred and/or selected application on the terminal. It is also recommended to display a symbol to indicate that the terminal accepts contactless payments before the terminal knows the amount.

Comment: By using this procedure to override the preferred application, the cardholder needs to present the card to the POI twice (two-tap) even for payments below 200 NOK when the preferred applications is overridden.



Figure 2: Suggested flow to override preferred application on a contactless enabled terminal.

4.3 Mobile contactless payments

The cardholder should be able to select application upfront either on the terminal or on the mobile device. For co-badged cards, the cardholder should be able to make the choice on the terminal*, as for contactless cards in section 4.2. For single cards, the choice must be done on the mobile device.

Comment: *) The Wallet Application may offer a solution where the cardholder preselect one of the brands in a co-badged card, the card shall then be presented as a single card for the upcoming transaction only.

4.4 POI without PIN pad

The cardholder will only be presented with the merchant preferred application selection (automatic mechanism). If the Merchant wants an automatic mechanism but does not have any specific priority, it will use the priority defined in the card.

Comment: *BankAxept transactions requires POI with PIN-pad, except for contactless payments with NoCVM.*

4.5 Information about preferred application

The merchants need to inform the cardholder about the applications that are accepted, and which is the preferred application by the merchant.

It is recommended that the preferred application is displayed on the POI as illustrated in the figure below. The preferred application is displayed before the terminal knows the amount.

It is recommended that the cardholders are informed how they can override the preferred application. The goal is to ensure that the preferred application can be overridden in the same way on terminals from different vendors. There are no instructions how to override the preferred application on the screen due to different screen sizes and universal design requirements.



Figure 3: Preferred application displayed on POI.

5 Appendix 1: Examples from SEPA Cards Standardization

The implementation guidelines from SEPA Cards standardization [EPC020-08] give three examples of priority selections. This appendix is only an informative part, and is not part of the recommendation. The figures in the examples below are based on the guidelines from SEPA Cards Standardization.

5.1 Override option during the EMV payment process

The cardholder is given the option to select an application during the payment process.



Figure 4: An overriding option during the EMV payment process

5.2 Override option using the upfront selection screen

The cardholder has the option to select application before the card is inserted or presented to the POI. This option will list all possible applications the Merchant accepts.



Figure 5: An override option using the upfront selection screen before the EMV payment process starts

5.3 Choice of application by the sole cardholder

No preferred application is presented to the cardholder. The cardholder needs to select application after the card has been inserted. All mutual support application is presented to the cardholder.



Figure 6: A choice of application by the sole cardholder during the EMV payment process