

# Layer Up for Safer Holiday Sales



Global eCommerce sales are expected to double from 2015 to 2019.<sup>1</sup> While growth in this sales channel creates great opportunities for merchants, it also has the ability to attract high levels of fraud activity.

With the holiday shopping season fast approaching, merchants should understand how to best protect against Card Not Present fraud.



## Best Practices to Prevent CNP Fraud

A layered approach to security is the most effective strategy. Merchants should strongly consider applying the following best practices:

1. **Use a Payment Card Industry Data Security Standard validated third-party service provider to store, process or transmit cardholder data.** Criminals commonly target merchant websites that process payment data. When merchants use a validated and secure service provider, risk exposure for CNP fraud and compromise decreases. A list of validated, registered service providers is available on the [Global Registry of Service Providers](#).
2. **Request the Card Verification Value 2 (CVV2) code from the cardholder for transaction authentication.** An issuer-validated CVV2 code is a strong indicator that the account and cardholder are valid. Alongside CVV2 verification, merchants should validate the cardholder's billing address using Address Verification Services (AVS). If either, or both, of these authentication methods result in mis-matches, the merchant should follow up with the issuer and/or cardholder to complete the purchase.
3. **Use risk based authentication (e.g. Verified by Visa (VbV)) to validate the cardholder's identity at the time of purchase.** This additional layer of security can reduce fraud by preventing the unauthorized use of cards online, while protecting merchants from exposure to fraud-related chargebacks.

## Possible Fraud Indicators

- ✓ Providing different ship-to and billing addresses on a purchase
- ✓ Urgent delivery requested by the customer
- ✓ An order containing multiple orders of different big-ticket items
- ✓ Multiple cards used from a single IP address
- ✓ Shipping outside of the country
- ✓ Delivery address in different country from merchant and/or cardholder

<sup>1</sup> Source: [http://kcenter/Documents/Subscriptions/eMarketer/eMarketer\\_Worldwide\\_Retail\\_Ecommerce\\_Sales-The\\_eMarketer\\_Forecast\\_for\\_2016.pdf](http://kcenter/Documents/Subscriptions/eMarketer/eMarketer_Worldwide_Retail_Ecommerce_Sales-The_eMarketer_Forecast_for_2016.pdf)