

PCI What?

When we talk of payment cards, the conversation often turns to outrageous fee structures and reduced retailer profits. While this is an enormous problem in every industry, ours is unique in one big way – PCI compliance. For many, PCI is a secret code... an unknown... a convoluted concoction of regulations that are all but impossible to understand. Dispelling the myths about PCI compliance and clarifying the requirements is a surmounting task. There are four pertinent questions that can be answered in order to clarify PCI.

What is PCI?

More specifically, what is PCI DSS? PCI DSS is an acronym meaning Payment Card Industry Data Security Standards. Originally Visa, MasterCard, Discover, and American Express founded the Payment Card Industry Security Standards Council (SSC). This has now developed into the PCI and includes more members than the original SSC. The PCI DSS is a set of standards developed to protect consumers against fraud. While protective measures are necessary, many say the PCI has become a controlling monopoly exerting unbending power over our industry. The petroleum industry has singularly been injured by the fee structures and the continually changing standards and regulations. To be clearer, the PCI DSS continues to require more from our industry including expensive POS upgrades and CRIND replacements in order to remain compliant.

Who must comply with PCI DSS?

Simply put any company that takes a credit card as payment must comply. This includes all merchants and service providers. One might ask, “Is it such a bad thing if the consumer is being protected?” Consider the ramifications. Every major oil company must come into compliance with all PCI regulations. Every branded location must also follow suit. All

independents making credit cards sales must also comply. Recently questions have arisen concerning the POS upgrades required by every oil company in the industry. These upgrades are a result of the increasing PCI standards. What makes our industry unique when compared to other industries? The answer - fuel dispensers equipped with card readers are classified as an unattended payment terminal. Because of the difficulty securing the readers themselves, the PCI has invoked more strenuous regulations. These regulations relate to either expensive CRIND upgrades or more expensive dispenser replacements.

Why comply with the PCI DSS?

First and foremost, it is mandated. If you do not comply, you do not have the privilege of accepting credit cards. Ten years ago, that may not have been such a terrible thing. Today, a retailer cannot survive without credit card sales both inside and at the pump. The volatile rise in fuel prices has made credit card sales a necessity. The average retail site sees more than fifty percent of its total sales in the form of credit card payments. Second, the consequences of accepting a credit card without full compliance are serious. Fines are a financial risk no business should be willing to accept. These fines range anywhere from \$5,000 to over \$500,000 for each act of non-compliance. Civil liabilities are also a consequence of non-compliance. Compliance is the only avenue of operation.

What are the new PCI standards effecting our industry?

Most of the new standards relate to the encryption of the Personal Identification Number (PIN) that debit customers use during their transaction. What does this mean for our industry? All new CRIND devices installed after January 1, 2009 must contain a PCI and VISA approved encrypting PIN pad to process debit transactions. If there are brand changes that facilitate a PIN pad change then the new PIN pad must be upgraded. By July 1, 2010 all new and existing

CRIND devices must contain a PCI and VISA approved encrypted PIN pad to process debit transactions. Because of the technical complexities of meeting the PCI DSS fueling and retail management companies like Dresser Wayne and Gilbarco Veeder-Root have been pressed to develop and keep up with the compliance requirements.

What does all of this mean to me?

Over fifty percent of the dispensing equipment currently operating are very vulnerable to fraudulent activities because of age or non-compliance. Every day more sophisticated fraud methods are developed. Retailers must be educated and diligent as to their requirements and the best practices for doing business today. Because of the ongoing rise in fraud, new standards should be expected. Out of these new standards will come more equipment upgrades and thus more expenses.