

MERCHANT ALERT!

SHORTENING (TRUNCATING) ACCOUNT INFORMATION

As our customer, we want to take this opportunity to remind you of the possible legal implications for your business if the credit card terminal receipt or Point of Sale device receipt is showing the expiration date.

In May 2007, we sent a reminder statement insert titled *Slip Showing?* which was drafted by the Federal Trade Commission (FTC). This reminder stated in part the following:

According to the federal Fair and Accurate Credit Transaction Act (FACTA), the electronically printed credit and debit card receipts you give your customers must shorten—or truncate—the account information. You may include no more than the last five digits of the card number, and you must delete the card's expiration date.

For example, a receipt that truncates the credit card number and deletes the expiration date could look like this:

ACCT: ***12345**

EXP: ****

Recently, we have been notified that many cardholders have formed class action lawsuits against merchants who display the expiration date. Damages of between \$100.00 and \$1000.00 for each willful violation (re: each cardholder receipt) may be awarded according to the FCRA (Fair Credit Reporting Act) provisions.

We strongly urge you to take action to protect yourself and your business.

- 1) Verify that the receipts you provide to cardholders do NOT display the card expiration date.
- 2) If you have a terminal, call the terminal help desk and **ask to download a new application to truncate expiration dates and cardholder numbers** on customer receipts.
- 3) If you have a Point of Sale device such as a computer* in which to process your customer's credit cards, please contact your vendor for an update to truncate expiration dates so they do not display on your customer's receipts.

*We realize that some vendors may charge a fee to update your Point of Sale computer programs. Since we have heard reports of merchants being sued for \$60,000.00 in damages, we strongly suggest any vendor fees may well offset the cost of a lawsuit plus damages.

It is important to note that the courts have decided these rules **DO** pertain to online retailers as well as brick and mortar retailers. The courts have upheld that expiration dates and cardholder numbers may **NOT** be displayed on a computer screen because those screens may be printed, thus exposing expiration dates and cardholder account numbers.

Our concern is for you, our merchant customer, to provide notice to protect your business. Please contact us at the number shown on your merchant statement if we can be of help.