



Maintaining Trust: Visa Inc. Payment Security Strategy

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2010 Payments Conference
Chicago Federal Reserve



Global Electronic Payments



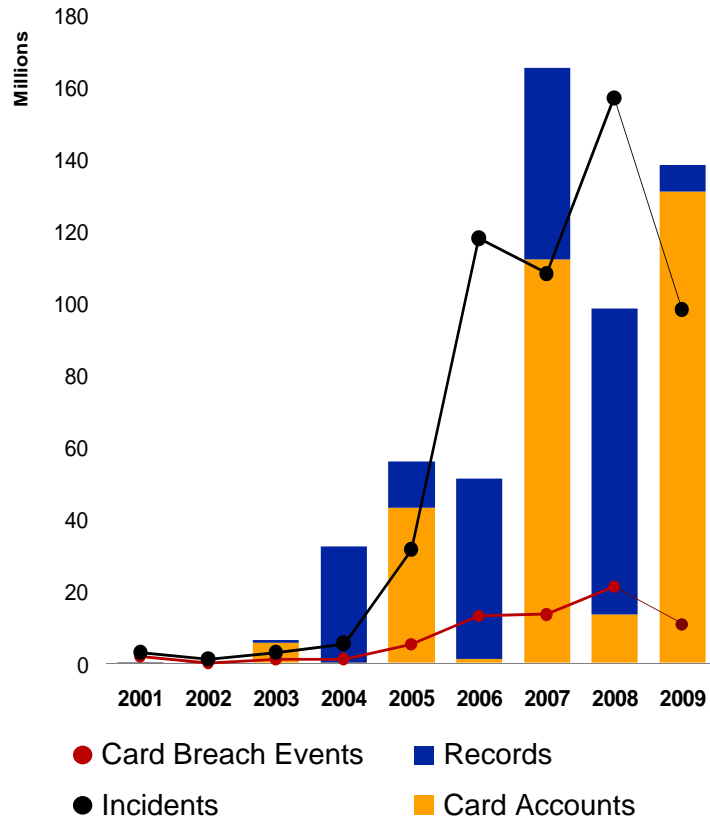
➤ Protecting the payment system is a shared responsibility among participants



Source: Visa Inc data for 12 months ended December 2009

Cyber Security... Not Just a Card Problem

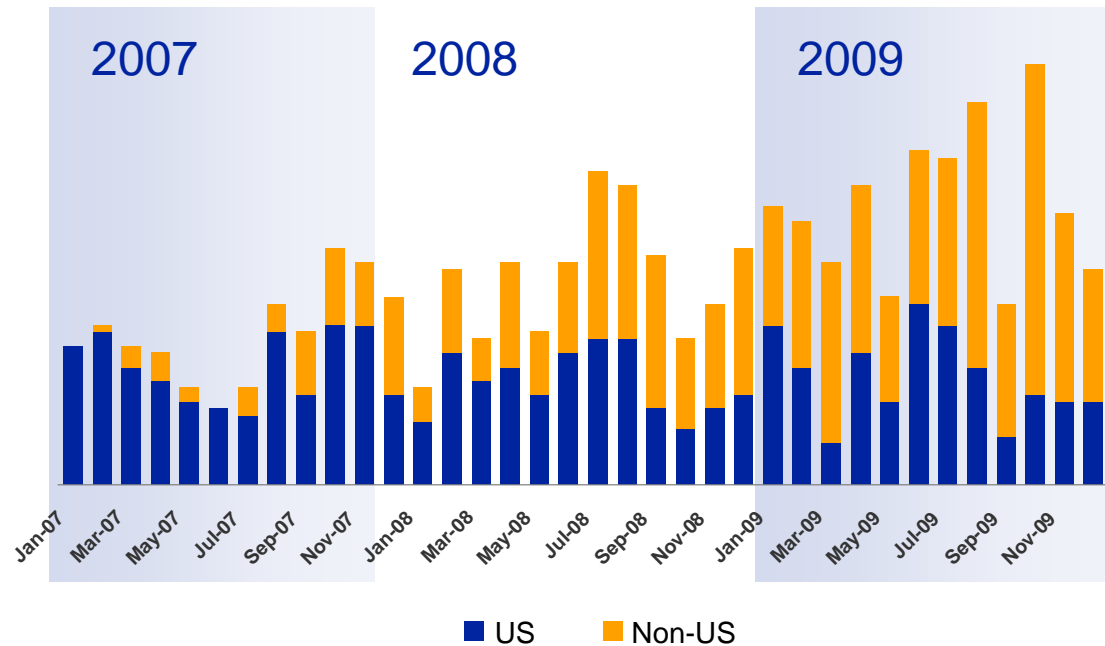
➤ All Data Loss Events



Source: Public Data Loss Statistics
Tracked by DataLossdb

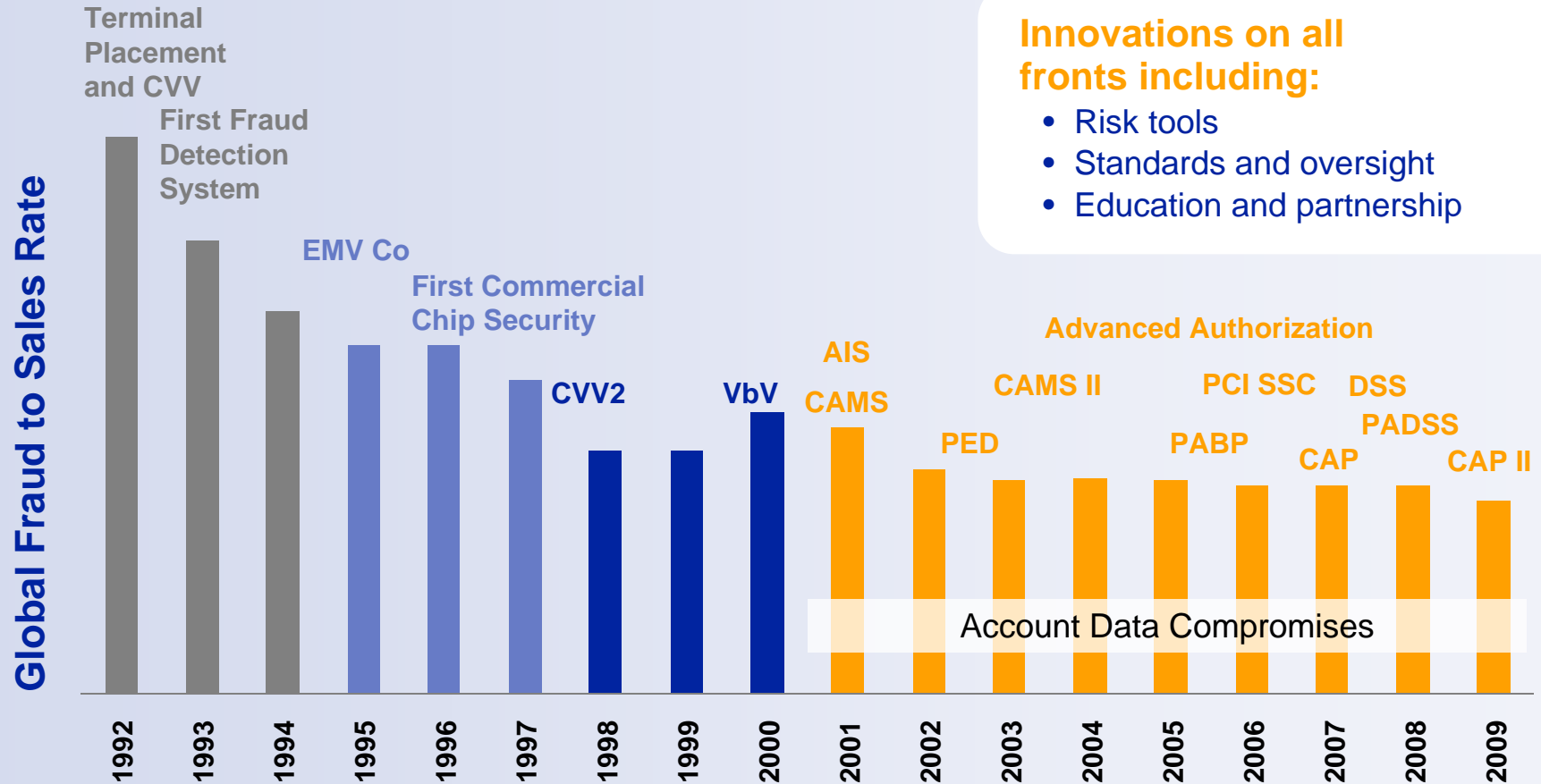
➤ Global Payment Card Compromises

- 37% US and 63% Non-US
- 44% brick and mortar and 52% e-commerce merchants



Source: Visa Client Reports

Controlling Fraud Through Innovation

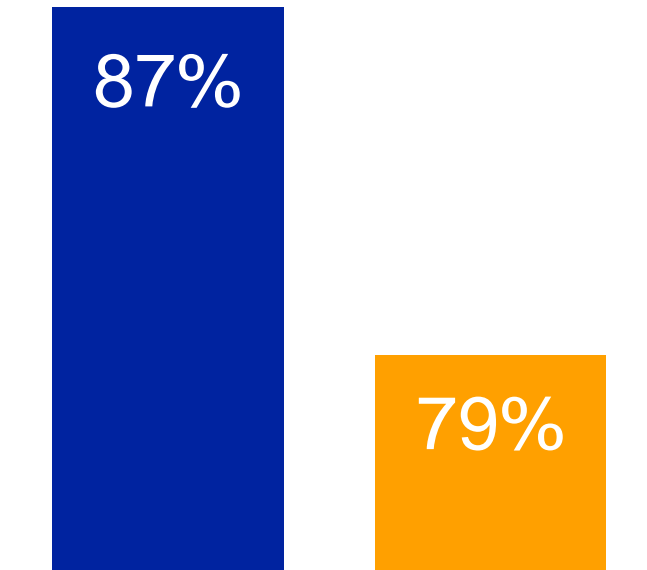


Source: Visa TC40 Fraud Reporting (as of March 2010)

Major Security Initiatives



➤ Global PCI Compliance



- Level 1 Merchants
- Level 2 Merchants

➤ Global Chip Deployment



Data Thieves Relentless



- Reduce stored card data
- Drive PCI among U.S. large merchants
- Number of U.S. compromises decreasing
- Implement EMV chip

Branden Hightes
Criminals steal
the data occurs
data in transit
to processors

2010: The Security Challenge



➤ **Fraudsters have evolved their business models and migrated between channels, products and geographies**

➤ **Criminals continue to adapt and challenge the system**

- The number of compromise incidents involving cardholder information has grown globally
- Stakeholder costs are increasing
- Security tops consumer concerns
- Regulatory attention and intervention on the rise

THE WALL STREET JOURNAL
The Menace in the Machines – Cyber-Scams On the Uptick In Downturn
M.P. McQueen
29 January 2009

Consumer Reports
Falling economy pushing cybercrimes up
May 21, 2009

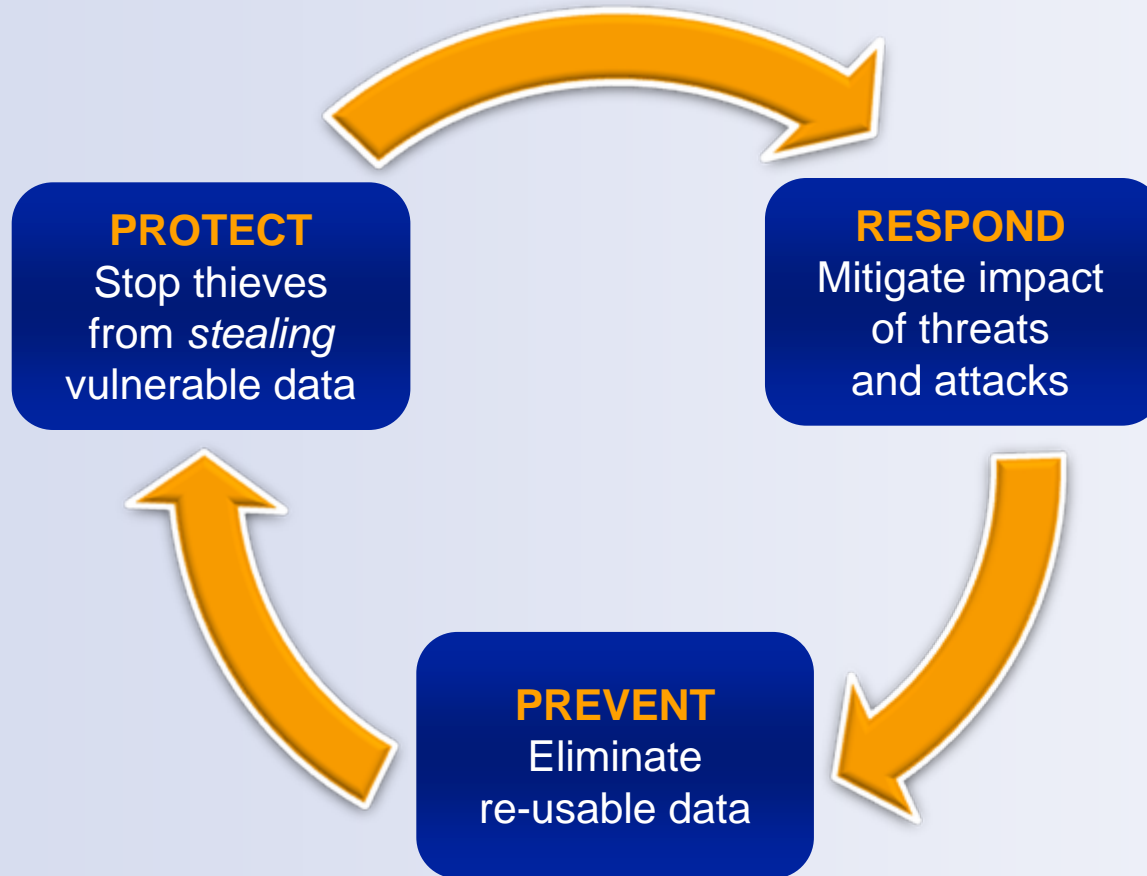
The Washington Post
Visitors to a Brazil bank's web site were redirected to a counterfeit site designed to steal customer credentials
24 April 2009

The New Zealand Herald
Carpark scam keeps banks busy. Customer told 100,000 credit cards need to be replaced
26 November 2009

Payment System Risk Strategy



➤ Maintain Trust in Visa Payments

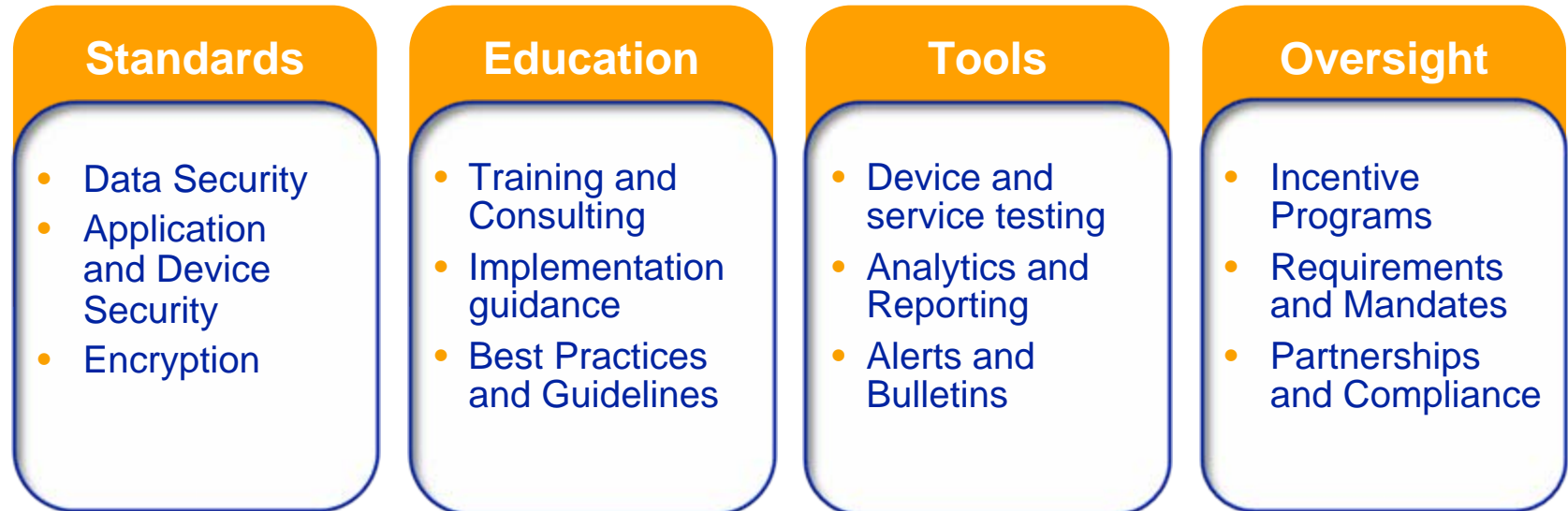


➤ Partner with Clients & Stakeholders

Protect the System



➤ Lead the industry in protecting vulnerable payment data



➤ **Opportunity:** Shrink the “Card Data Environment” to reduce stakeholder cost and risk

Respond to Threats



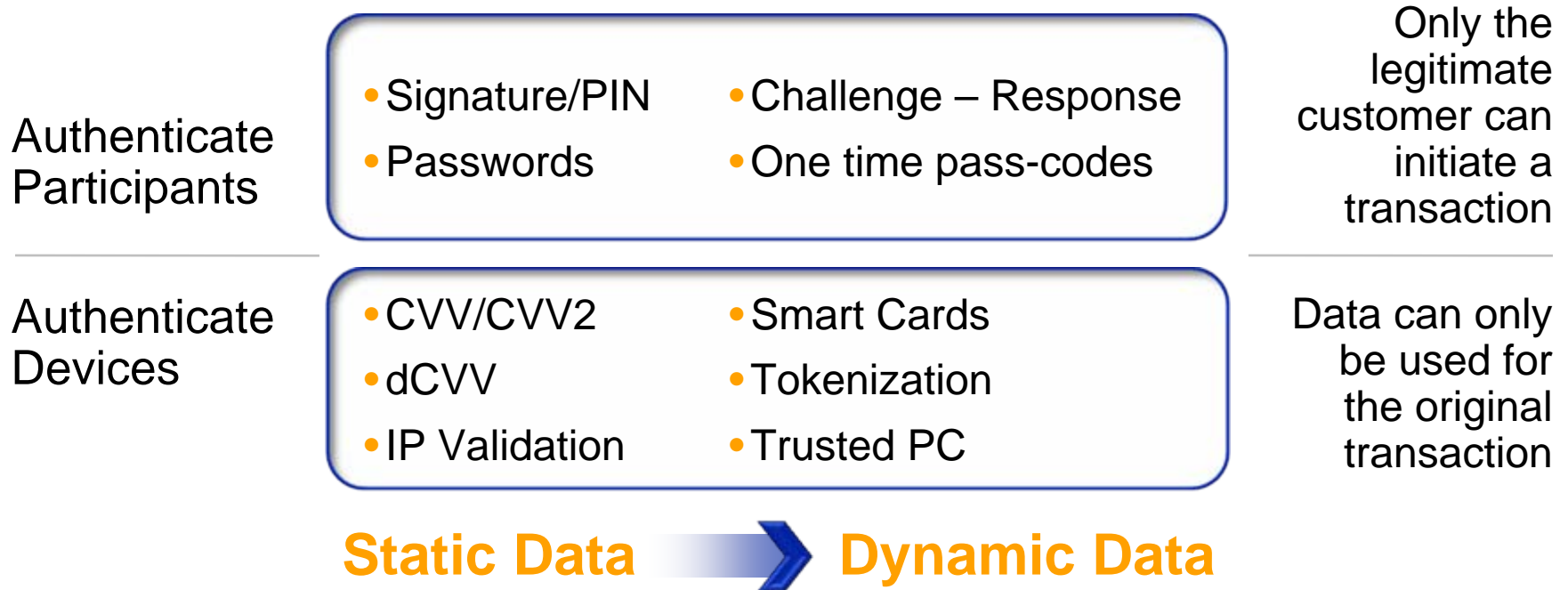
➤ **Minimize the impact of threats on stakeholders through early identification and advanced event management**

	Identify	Analyze	Mitigate
Tools & Solutions	<ul style="list-style-type: none">• Consumer Alerts• Fraud ID systems	<ul style="list-style-type: none">• Point of Compromise Tools	<ul style="list-style-type: none">• Proactive Alerts• Authorization Solutions
Programs & Processes	<ul style="list-style-type: none">• Cyber Intelligence & Investigations• Fraud Control Programs		<ul style="list-style-type: none">• Zero Liability• Incident Response
Information & Partnerships	<ul style="list-style-type: none">• Intelligence Sharing• Risk Councils	<ul style="list-style-type: none">• Performance Benchmarking	<ul style="list-style-type: none">• Risk Services• Public/Private Partnerships

➤ **Opportunity:** Identify attacks earlier to shut down fraud faster
Empower consumers to protect themselves from fraud

Prevent Attacks

➤ Reduce the incentive for criminals to steal data by eliminating re-usable data from the system



➤ **Opportunity:** Make transaction data useless by moving to dynamic authentication technologies

20/20 Vision



The Future of Payments Security

- 1 Dynamic Authentication:** to take the majority of stakeholders out of harm's way
- 2 Powerful Security:** among stakeholders who retain vulnerable data
- 3 Intelligent Response:** to identify threats, shut down fraud, and minimize the impact of attacks
- 4 Solutions that Engage Consumers:** to protect themselves from fraud
- 5 Innovation, Leadership & Collaboration:** partnering with stakeholders to maintain trust in electronic payments