AMERICAN EXPRESS

GENERAL BACKGROUND

American Express continues to build new capabilities to support contactless and mobile NFC* payments for the transit industry around the globe to support both proximity, as well as remote, payments services. Contactless and mobile NFC payments are suited to the transit environment in that they help facilitate quick, efficient ticketing and boarding without the need for proprietary fare systems. This document is structured to respond to transit industry, issuer and acquirer questions about how contactless and mobile NFC payments – with American Express – can help optimize payments and transform the customer experience.

* Near Field Communication (NFC) is a short-range wireless technology that enables the communication between devices over a distance of less than 10 cm. It is meant for applications where a physical touch, or close to it, is required in order to maintain security.

AMERICAN EXPRESS CONTACTLESS & MOBILE NFC PAYMENTS

Q1: What is an American Express contactless or mobile NFC transaction?

An American Express contactless or mobile NFC transaction is a payment transaction initiated through a mobile NFC-enabled device such as a smart phone or contactless Card with contactless-enabled terminal.

These devices enable American Express Card Members to touch or tap their Card or NFC-enabled device to the contactless reader and go.

Q2: How are contactless cards, NFC-enabled mobile devices and contactless-enabled terminals identified?

The universal contactless symbol and indicator**identifies contactless terminals and payment devices. These icons are now used worldwide to signal contactless payments and are easily recognized by consumers in regions where contactless payments have become common.

The Universal Contactless Symbol should only appear on terminals with contactless capability.

The Universal Contactless Indicator appears on the back or front of an American Express® Card to indicate contactless technology.
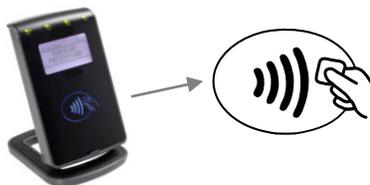
BENEFITS OF CONTACTLESS & MOBILE NFC TRANSIT PAYMENTS

Q3: How do contactless and mobile NFC technology help optimize payments in the transit industry?

- Makes it easier for customers to pay for travel, increasing ridership and revenue
- Creates a more convenient, seamless and rewarding point of sale experience for customers
- Reduces costs of handling cash and maintaining proprietary fare systems
- Improves the ticketing and boarding experience while maintaining speed
- Introduces enhanced EMV payment security at the point of sale (POS)

Q4: How do contactless and mobile NFC payments benefit card issuers?

- Helps establish top-of-wallet preference as Card becomes "transit pass"
- Drives everyday spend away from cash as Card Members become comfortable with contactless and mobile NFC
- Helps ensure a secure Card experience to gain customer confidence
- Capitalizes on American Express' Card expertise to ensure a seamless transition to contactless and mobile NFC
- Offer innovative Card capabilities to appeal to American Express Card Members interested in new technology

Q5: How do contactless and mobile NFC payments benefit acquirers?

- Leverage American Express payment knowledge and transit industry expertise to speak credibly with transit merchants
- Roll out transit payments with ease by leveraging the American Express transit solution, materials and communications
- Gain incremental revenue by promoting payment technology that drives Card spending over cash
- Capitalize on American Express' Card expertise to ensure a seamless transition to contactless and mobile NFC functionality

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PAYMENTS, INTERACTIONS & TRANSACTION SECURITY

Q6:   Is there a signature or PIN required at the point of sale (POS)?

Transit fare gate readers typically do not have PIN or signature capture capabilities. The American Express Transit Solution offers specially-designed capabilities to help minimize risk and limit exposure in the transit environment.

Q7:   Do contactless and mobile NFC transactions require the consumer to do anything additional?

Once the terminals are in place at the point of sale, and they are certified to process contactless Expresspay transit transactions, then the processing is as simple as the Card Member tapping the contactless American Express Card or mobile NFC device and going on their way.

Q8: How will contactless transactions impact speed at the fare gate?

Enhanced authorization processes and risk controls specially designed for the transit industry have been implemented to support transit industry speed requirements.

Q9:   Are American Express contactless and mobile NFC transactions secure?

All transactions, whether they be contact or contactless or mobile-NFC, benefit from multiple layers of security implemented throughout the credit payment system to protect all parties involved in the payment transaction. For chip based products, this includes the use of cryptographic mechanisms. However, many of the protective measures are independent of the technology used in the physical transaction between the Card and the terminal. These include online authorization, risk management and real-time fraud detection systems along with the existing protections against fraudulent transactions in place for traditional transactions through American Express payment Cards.

Q10:   What if an American Express contactless or mobile NFC transaction doesn't work at point of sale?

All American Express contactless products certified to Expresspay specifications are designed to work with the American Express Transit Solution. (Check for the contactless symbol on the back of the Card). If there is any issue at the point of sale, the customer may use an alternative contactless American Express product or speak with an American Express or Transit Agency Customer Service Representative.

MERCHANT POS ENABLEMENT AND CERTIFICATION

Q11: How can a transit authority begin accepting American Express contactless and mobile NFC transactions?

In order to accept American Express contactless and mobile NFC payments, the transit authority is required to deploy contactless terminals at the fare gate.

Additional steps may be required. Check with your processor and your American Express representative to identify additional set up requirements to accept American Express Cards in the transit environment.

Q12: Which is the latest American Express specification to support contactless and mobile NFC payments?

American Express has published the latest Expresspay specifications that support both Mobile NFC initiated transactions and contactless Card payments. Expresspay specifications can be accessed via your processor or your American Express representative.

Q13: How long does it take to get the technology up and running?

It depends on the transit authority's current point-of-sale environment. Transit authorities should reach out to their acquirer and POS provider to find out the readiness level to support contactless and mobile NFC payments.

LEARN MORE

Go to www.amexglobalnetwork.com/transit to learn how contactless card technology can help you shape your business' future

Magnetic Stripe   Chip Card   Contactless   Mobile NFC

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MERCHANT POS ENABLEMENT AND CERTIFICATION (CONTINUED)

Q14: If a transit authority has a contactless reader that accepts another network solution, will it be able to accept American Express mobile NFC transactions?

In order to accept American Express contactless and mobile NFC payments, the transit authority will need to deploy contactless POS terminals at the fare gate that support the latest American Express contactless specification, Expresspay.

In addition, depending on their fare structure the transit authority may need to solve complex fare calculations. Many transit operators use transit integrators to support this function.

Q15: What is the cost for implementing contactless and mobile NFC payments?

The cost of implementing contactless and mobile NFC payments depends on the work required to deploy contactless readers at the fare gate and the development work required to prepare internal systems to process contactless payments.

Q16: What are the American Express certification requirements for contactless?

American Express requires transit authorities and processors to comply with the American Express specifications for authorization and settlement.

In addition, transit authorities and processors implementing Expresspay-enabled devices must comply with an end to end certification with American Express. For more detailed certification requirements, contact your American Express representative.

Q17: Are there specifications that POS manufacturers or IPOS vendors must use in order to enable POS systems to accept American Express contactless transactions?

Transit authorities adopting contactless and mobile NFC technology should look for devices that support Expresspay. Expresspay will provide the transit authority with the ability to support contactless transactions, both for magnetic stripe and EMV technologies.

Q18 Are other major processors certified to accept contactless and Mobile NFC payments?

Most processors support American Express contactless and Mobile NFC payments. Transit authorities should contact their processor/acquirer to find out more.

Q19: Are other major processors certified to process the enhanced authorization messaging for transit?

The enhanced authorization messaging may be available through the processor if they have enabled a transit authority previously. Check with your processor to determine their readiness and contact your American Express representative to support processor certification for enhanced transit features.

Q20: Will contactless transactions be PCI compliant?

All entities processing, storing or transmitting Card data are required to do so in accordance with the PCI DSS, regardless of how the transactions are processed. Check with your QSA or visit the PCI Security Standards Council website for more information.

Q21: How do transit authorities promote contactless card and mobile NFC acceptance to customers?

Transit authorities may use of number a methods to market and promote contactless American Express Card and mobile NFC acceptance. It is important to post point of purchase (POP) displays at the fare gate to inform Card Members about using contactless American Express Cards. The message can be reinforced through online and web based communications along with in-market advertising.

Q22: Can transit authorities work with American Express to promote payments through Mobile NFC?

American Express is interested in opportunities for working with transit authorities to design programs to promote American Express mobile NFC transactions in transit, leveraging mobile NFC communications channels. To find out more, contact your American Express representative for more information.

Q23: Will there be any additional policy considerations or protections related to acceptance in transit?

As long as the system obtains authorization for the American Express transaction, the transit authority will not receive fraud chargebacks, and all other Disputed Charge policies and procedures will apply. In some countries, additional transit industry protections may apply. Contact your local acquirer for specific policies that apply in your country.

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THE CUSTOMER EXPERIENCE & MARKETING

Q24: How does American Express contactless and mobile NFC technology help optimize the transit customer experience?

- Makes it easier for customers to pay for travel, increasing ridership and revenue
- Creates a more convenient, seamless and rewarding point of sale experience for customers
- Improves the ticketing and boarding experience while maintaining speed
- Introduces enhanced EMV payment security at the point of sale (POS)

Q25: How can American Express help transit authorities use Contactless and Mobile NFC technology to help optimize marketing opportunities?

American Express can provide:

- Business insight reports about traveler behavior
- Access to new marketing channels as well as opportunities to work with leaders in the digital space to capitalize on digital commerce
- Ability to bring high-spending American Express Card Members to transit authority's business
- Opportunity to increase ridership by using digital marketing to promote non peak times, e.g. weekend travel

Q25: What do customers need to do in order to pay with Mobile NFC?

Before Card Members can use their American Express Card with their mobile NFC device, they must have first loaded their Card in to their mobile wallet based on the wallet and the issuing Card requirements.

Q26: Where does the Card Member call for more information about using their contactless Card or mobile-NFC device in transit?

The Card Member should call the toll-free number on the back of their American Express Card for more information about contactless and mobile NFC functionality.

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