SETTING THE RECORD STRAIGHT ABOUT EMVCO

SECURE PAYMENTS PARTNERSHIP

Visa and Mastercard want Americans to believe the MYTH that EMVCo, America's current payments standards setting body, is working to protect consumers,but the FACTS prove they're only protecting market share.

FACT

Visa and Mastercard control EMVCo and use it to write standards that they impose across the industry.

EMVCo is a consortium of financial companies that control the chip-card technology known as "EMV." The organization contends that it does not "set standards," however, these same companies (principally, Visa and Mastercard) that control EMVCo also set rules that impose those standards on everyone in the payments space. Interoperability between card networks, payment technology and software, and point-of-sale and other hardware, are determined by EMVCo's standards.Therefore, these standards, formalized and enforced through Visa's and Mastercard's rules, govern the card payments industry.

FACT

EMVCo is a private corporation owned by the six largest global card networks.

EMVCo is operated by representatives of the six largest global card networks: Visa, MasterCard, American Express, Discover, JCB, and China UnionPay – with each owning an equal share of the company. In perpetuating the myth that it represents all payments stakeholders, the organization will point to its list of Board of Advisors – various financial, tech, and retail companies – the reality is that the only voting members of EMVCo are the six card networks. While other stakeholders in the card payments ecosystem may provide input, it is ultimately up to the card networks to decide what functionality is available within payments and ultimately those same networks decide how those[U1] EMVCo standards are implemented in the marketplace.

FACT EMVCo has stood in the way of additional security features.

Despite EMVCo's protestations that EMV or "chip" cards have made card payments more secure, fraud continues to increase. The U.S. leads the world in card fraud. Currently, the U.S. accounts for 22% of total card volume, and 34% of gross fraud losses. When chip cards were implemented in other countries, so too was the adoption of PINs (Personal Identification Numbers) for all credit and debit transactions. In the U.S., we still use the less-secure "signature" to identify a card user, and in many card-not-present transactions (e-commerce or in-app purchases), more secure authentication[U2] options are limited. Although many merchants and retailers would like to have their customers provide a PIN or biometric authentication (whether using your fingerprint or face ID via mobile payments or other technologies), the card networks have stood in the way of these additional security features being implemented industry-wide.

FACT EMVCo stifles innovation and competition.

EMVCo contends that it helps the card payments industry innovate and stay competitive. However, serving as a standard setting body for the benefit of the major card networks, EMVCo has routinely stifled innovation and competition in the card payments industry. For example, when various stakeholders were working on contactless payment technologies, EMVCo and the card networks established specifications that required Near-Field-Communication (NFC) payments, blocking alternative transmission types and other mobile payment methods apart from products provided by EMVCo's owners.

In another example, EMVCo has usurped open card transactions and limited tokenization standards [U3]set by other organizations, to the benefit of the card networks. Conveniently, Visa and Mastercard require [U4] safer payment tokens to be routed over their networks only. While tokenization technology is a welcome addition to card payments, EMVCo has made it difficult for competing card networks and other stakeholders to process tokenized transactions, thus preserving Visa, Mastercard and the major networks' market share.

Read SPP's latest white paper, Payment Insecurity: How Visa and Mastercard Use Standard-Setting to Restrict Competition and Thwart Payment Innovation, to learn more.

About Secure Payments Partnership

The Secure Payments Partnership (SPP) brings together retail groups and payment networks who are committed to greater security and transparency across the payments system. SPP was formed to anticipate new and better technologies for making payments that are secure and fast. SPP encourages and supports sound policies that improve the payments infrastructure, meet the evolving needs of commerce, and provide convenience and security to businesses and consumers.