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talking shop

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In this issue, we provide an overview of how we continue to listen and change, so that we can help your business be as successful as possible.

We're proud to announce our new strategic relationship with VeriFone - a leading supplier of payments technology for merchants. Together we can help transform the retail experience in Australia as we deliver new and ongoing innovations for our merchant customers.

For many merchants, not having visibility and access to their settled funds over the weekend and national Public Holidays can make managing cash flow more difficult. Read about how 'Everyday Merchant Settlement' will greatly benefit your business.

Surcharging for card payments is changing in Australia. The Reserve Bank of Australia has reviewed surcharging and new guidelines will soon be released that merchants will need to follow.

Whether you own a small or medium sized business, the more time you can spend on your business and less time taking care of your banking, the better. We introduce you to 'Business Fundamentals', a customised package of essential business banking products.

Gaining presence in new markets can help your business better deal with slower retail sales in Australia. We talk you through (China) UnionPay online - a gateway into marketing your business to China.

We've also included some important information around the issues and risks associated with using mobile devices with magnetic stripe readers, and why these solutions may not be secure. Plus we share tips on how to protect your business from cyber crime.

We hope you enjoy this edition of *Talking Shop*. If you have any ideas on how to improve our publication, or any of our services or products in general, we'd love to hear your feedback at merchant_news@nab.com.au.

VeriFone our new strategic partner

The world of payments is continually changing to meet consumer expectations for mobility and faster transactions. For this reason, businesses may need help integrating their bricks and mortar sales environment with their online eCommerce channels to improve their overall sales outcomes. This can also extend to improve overall efficiencies by integrating with their point of sale and inventory management systems.

Throughout 2012, NAB has been working to develop a strategic alliance with VeriFone - a leading supplier of payments technology for merchants. Through this alliance, NAB will be launching sustainable innovations to help merchants meet the evolving demands of consumers.

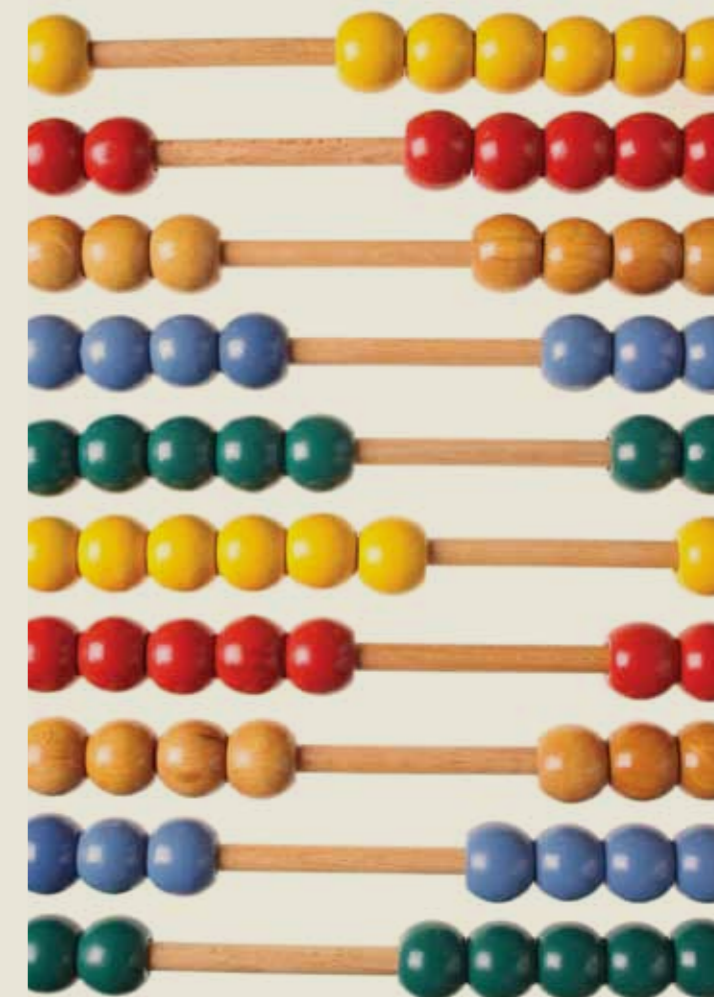
Some of the exciting capabilities we'll soon be releasing include a new fleet of Mobile and Desktop terminals, various iPhone and iPad integrated

payment attachments, and new integrated retail and hospitality capabilities.

Partnering with a leading supplier is the best way to ensure we're able to provide Australian businesses with access to ongoing global innovations. We look forward to sharing more with you on this exciting new model soon.



Improving your cash flow settling to a NAB account



Whether your business deals with 20 customers or 2,000 customers a day, merchants could benefit from better visibility and access to their settlements. For this reason, we've introduced Everyday Merchant Settlement. This exciting initiative is designed to provide eligible merchants with the ability to improve cash flow over the weekend, as well as other non-business days and every day of the week.

What are the benefits of Everyday Merchant Settlement for eligible merchants?

Better visibility of your funds. In the past, your settlements for Saturday, Sunday and Monday were deposited into your account on Monday night and not visible until Tuesday.

With Everyday Merchant Settlement, you'll have better visibility of your receipts and cash position every day of the week as the funds will be visible and accessible on the same day when settled prior to 10:00pm AEST. The calculation of interest will remain unchanged, and will be accrued from when settlement amounts are posted into your account (on the following business day). And after further enhancements in the coming months, you'll have better visibility and access to your funds every day of the week.

Helping you to improve your cash flow through access to your funds over the weekend and national public holidays. Once you have visibility of your settled funds, you'll have the ability to access

these funds. This means you can transfer out to another account, pay a bill or just use these funds to reconcile your takings.

Making it easier to do business with us by providing you with daily settlement totals. As we're aware, many businesses operate on a tight cash flow position. Having added visibility and access to your funds every day may put your business in a better position to manage banking requirements.

Increased completeness and accuracy of transactions. Having visibility of settlement amounts every day means you won't have to wait until funds are 'posted' to your bank account on Monday night to reconcile a full day's takings.

How do I get Everyday Merchant Settlement for my business?

If you're an eligible merchant that settles your transactions into a NAB account, you'll receive this feature automatically.

If you don't currently settle your funds into a NAB account, we can help you set one up in no time. We'd like as many merchants as possible to benefit from this exciting enhancement.

For more information, please contact the Merchant Service Centre on **1300 369 852**.

Protect your business from cyber crime

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Sophisticated criminal gangs are putting Australian businesses at risk by attempting to take over their computers, stealing security information such as passwords and using these to siphon money from their bank accounts.

Although they may be situated thousands of kilometres from Australia, the gangs gain access to computers or information through infected websites (which can track what you do or look at what you type on your computer) and through 'phishing' emails - these are legitimate-looking

emails that aim to trick people into clicking on links and entering private information, such as personal information, passwords, pins and access details.

Once they have your information, criminals can gain access to secure banking systems or even remotely

use your own email system to send different payment instructions to debtors and other business partners. Ultimately, their aim is to transfer money out of businesses' accounts by working from the inside with your security and personal information.

What NAB is doing to protect your business

NAB has significant resources dedicated to fraud prevention and cyber security, with a team of over 100 people working 24 hours a day against fraudsters and online attacks. The team conducts around the clock 'sweeps' of the internet looking for phishing sites made to look like NAB sites and stolen banking details or passwords. "We want to make sure our business customers can conduct their business securely and ensure their banking experience is always safe, easy and reliable," says Nick Scott, Head of Cyber Security at NAB.

NAB's cyber security team not only monitor the local online environment to guard the bank, the group of highly trained experts constantly scour the web for future threats and suspicious activity. "While we have teams of specialists constantly watching and assessing, it's important our customers are vigilant in protecting their privacy and security information such as passwords and PINs, and are alert to suspicious emails or downloads while online."

Fraud detection

Working closely with the Cyber Security team is the NAB Financial Crime team who monitor business account activity to detect irregular account transfers and spending on credit cards. When a transaction occurs outside the normal behaviour of the account holder, such as payment to another country, an alert is sent to a Financial Crime team member, who assesses the transaction and contacts the customer for confirmation. The account is temporarily blocked and monitored until the transaction is confirmed fraudulent or deemed valid.

The NAB Financial Crime team also examines the 'electronic signature' of bank account logins to look for indications the customer's machine has been taken over or is infected with malicious software (malware) designed to gain unauthorised access to computer systems.

To further protect businesses against cyber fraud, online payments trigger a text message to a customer's mobile phone asking them to confirm or block the transaction. In order to receive these added security features it's important to register via NAB Online Banking as it makes it more difficult for criminals to steal from customers' accounts, even if passwords have been stolen.

NAB's point of sale devices such as EFTPOS machines, are tamper-evident making it very difficult for criminals to install 'skimmers' - illegal devices used to steal credit card information for fraud.

What you can do

Businesses can help protect themselves from cyber crime with a few simple steps:

- 1. Guard your information:** Business account details should never be written down and only authorised personnel should be given access to conduct transactions. Details pertaining to your personal accounts should not be shared with anyone. The best security is NAB systems in partnership with personal vigilance.
- 2. Up to date systems:** Make sure computers have anti-virus software that regularly updates and that they're regularly patched with software updates.
- 3. Think before you click:** Criminals send well-crafted, legitimate-looking emails purporting to be from legitimate entities such as banks, customs, police, tax office etc. They try to trick businesses into clicking on internet links that download malware onto their computers. If an email seems suspicious or out of the ordinary, think before you click and check with the person who is supposed to have sent it by calling them on a phone number that you find independently - not one that is included on the website or in the email.
- 4. Dual authorisation:** Configure your NAB Connect business internet banking account to require two people in the business to authorise transactions, making fraudulent activity more difficult.

For more information

about how NAB can help protect your business from cyber fraud, contact your NAB business banking representative or the business banking call centre on **13 10 12**.



Changes to surcharging practices



In June this year, the Reserve Bank of Australia (RBA) announced that it would vary its regulations relating to merchant surcharging on credit and scheme debit cards. The variation allows card scheme rules to limit surcharges to the reasonable cost of card acceptance. The new regulations come into

force on 1 January 2013. Until then, surcharging remains solely at the merchant's discretion.

In announcing its decision to vary the surcharging regulations, the RBA stated that the decision reflects concerns about the increase in cases where surcharges

appear to be well in excess of acceptance costs. The RBA intends that its variation will improve price signals by enabling a card scheme to address cases where merchants are clearly surcharging at a higher level than is justified for acceptance of its card products.

There's ongoing discussion between the card schemes and the RBA to better define the 'reasonable cost of card acceptance'. When the card scheme rules regarding surcharging are issued, we'll notify you of changes to the Merchant Agreement and other requirements.

Magnetic stripe mobile solutions

merchants beware!

NAB has multiple teams to detect and prevent fraud attempts, with the aim of staying one step ahead of the criminals.

Part of our effort in prevention is continuing to upgrade systems. NAB is deploying card acceptance devices (EFTPOS terminals) that are compliant with the international Europay MasterCard and Visa (EMV) standard for chip card acceptance. Chip cards represent the highest standard of security for card acceptance, protecting both the cardholder and the merchant from the risk of fraud.

Simultaneously, there have been an increasing number of international companies that have developed and deployed card magnetic stripe readers that can be connected to mobile phones, iPhones, iPads and other mobile capabilities known as M-Commerce.

Visa International, MasterCard International and NAB agree that these magnetic stripe readers do not align with the significant industry investment

in EMV security for Visa and MasterCard products, and card acceptance devices in the Australian market. Therefore MasterCard, Visa and NAB have agreed that all support for these magnetic stripe readers is to be withdrawn immediately.

For this reason, NAB does not directly distribute any card readers which are not able to read magnetic stripes. However, some of our certified gateway partners may do this. We've communicated to all of our gateway partners that support for magnetic stripe readers has been withdrawn - effective immediately.

We would recommend that any merchants who are currently using magnetic stripe readers connected to mobile devices should stop using this capability and contact their supplier to request an EMV compliant replacement product for their card acceptance requirements. NAB merchants who are found to be using magnetic stripe readers with mobile capabilities will be contacted by NAB to make alternative arrangements.

Currently, many NAB merchants accept card transactions via mobile technologies, including the recently announced NAB Transact for mobile, by manually entering the cardholder's numbers. Given that this requires the cardholder to manually enter their card number, rather than swiping the card, this capability is secure and supported by MasterCard, Visa and NAB.

There's a growing market for card acceptance via compliant M-Commerce mobile applications. For that reason, NAB has recently appointed VeriFone Limited as our new card acceptance technology partner.

VeriFone's capabilities include a wide range of EMV compliant card acceptance devices and EMV compliant M-Commerce capabilities. We'll be providing regular updates on the new NAB EMV compliant range of M-commerce products in the coming editions of *Talking Shop*.

Visit verifone.com to find out more.

Opening up the Chinese market for online payments



The Chinese market continues to grow faster than most others, with the amount spent by Chinese consumers through eCommerce rising significantly. To help Australian businesses access this opportunity, NAB is proud to be the first Australian bank to offer (China) UnionPay card acceptance for eCommerce transactions, which can be accessed through NAB Transact (the NAB eCommerce Gateway).

UnionPay is one of the largest card schemes in the world with over 3 billion cards issued, and is China's equivalent to EFTPOS in Australia.

NAB is still the only bank to offer China UnionPay proprietary card acceptance on EFTPOS and this opportunity can still be better leveraged by our customers.

So how does it work?

- We enable you to accept UnionPay cards through NAB Transact.

- You advertise that you accept UnionPay transactions to ensure Chinese consumers are aware.

- Your payment page includes UnionPay as a new payment option (like PayPal).

- When the customer selects UnionPay a new screen will appear which prompts them to provide their information. This information is then authenticated by UnionPay.

- We settle the transactions to you in Australian dollars.

Find out more about accepting UnionPay eCommerce transactions.

Call **1300 EFTPOS**
(1300 338 767)

Business Fundamentals a customised package to fit your needs



Small business owners often find themselves taking on the role of 'jack of all trades' when it comes to running their business. They're often so busy working *in* their business, they don't get the time to work *on* their business.

At NAB, we understand you need a solution that helps you get the most out of your business banking.

This is why we've introduced 'Business Fundamentals', a package that consists of two key business banking solutions - a business transaction account and online banking, plus the option to apply for additional solutions.

Our bankers will work with you to determine the best optional solutions such as a merchant facility, business cards and savings account. This way we can ensure you have the right solutions for your business banking needs.

How can you benefit from this package?

This package is designed to help small to medium sized businesses manage their cash flow, by making and receiving payments easier. Additional benefits include:

- Convenience – removes the complexities of keeping track of multiple accounts and provides access to view all your accounts online.

- Flexibility – enables you to select the business solutions that are right for your business and makes it easier to track your business expenses.

- Guidance – all package holders receive ongoing support from our business banking team.

- Savings – one monthly package fee gives you access to benefits and discounts on a range of products built for business.

To find out more talk to your banker, visit nab.com.au/BusinessPackage or call **13 10 12**.



Contact us

Merchant support

NAB Merchant Service Centre **1300 369 852**
(available 24/7)

Product support

NAB Transact Support **1300 138 313**
(8am to 8pm AEST Monday to Friday)

National Online Corporate **1300 652 565**
(8am to 8pm AEST Monday to Friday)

NAB Connect **1300 888 413**
(8am to 9pm AEST Monday to Friday,
9am to 6pm AEST Saturday & Sunday)

Sales

NAB Payment Solutions **1300 EFTPOS**
(8am to 6pm AEST Monday to Friday) **(1300 338 767)**
Option 1

Merchant fraud team

Phone **1300 668 046**
(8am to 5pm AEST Monday to Friday)

Email **merchant.fraud@nab.com.au**
Web **nab.com.au/merchantfraud**

Authorisations

MasterCard/Visa **13 25 15**
(available 24/7)

Debit account **1300 360 852**
(available 24/7)

American Express **1300 363 614**
(available 24/7)

Diners Club **1800 331 112**
(available 24/7)

Payment Card Industry

Data Security Standard (PCI DSS)

PCI Help Desk (technical assistance) **1300 736 216**
(8am to 5pm AEST Monday to Friday)

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