



CPS/Card Not Present Protect Your Business and Reduce Operating Costs



The Visa® Custom Payment Service (CPS) program outlines transaction data criteria and processing standards that U.S. merchants must meet to qualify for a CPS program, while at the same time improves risk management techniques.

CPS rules vary based on the type of transactions processed. This document provides insight into what mail/phone order merchants can do to qualify their transactions for CPS and safeguard themselves while also lowering operating costs.

For details about your current rates and what savings you might qualify for by meeting the CPS/Card Not Present requirements, contact your acquirer today.

6 Steps For Your Mail/Phone Order Transactions to Qualify For CPS

For any transaction, authorization is key. It is especially important for mail/phone order merchants who do not have the card or the cardholder in front of them. The rules that qualify you for a CPS program may also help protect you against certain authorization-related and fraud-related disputes.

To qualify for the CPS/Card Not Present program, your transactions must:

- Be conducted by mail or over the phone, with no card or cardholder present at the merchant location (electronic commerce transactions do not qualify for this program).
- Have one authorization and one clearing record.*
- Be authorized and approved according to the *Visa International Operating Regulations*. The authorization:
 - Is valid if the final transaction amount is within 15% of the authorized amount, provided that the additional amount represents shipping and, effective 12 April 2014, sales tax.
 - May be obtained up to 7 calendar days before the merchandise ship date.
 - Is permitted one reversal to make the authorization amount equal to the final transaction amount.

* Split shipments of multiple transactions posted can still qualify for the applicable Custom Payment Service (CPS) programs.

- Be cleared within 2 days of the merchandise shipping date.
- Be conducted using a merchant point-of sale (POS) terminal that provides the merchant order number and at least one of the following options to contact customer service:
 - Telephone number
 - URL
 - Email address
- Have the cardholder's address validated at the time of transaction, when required. The Visa Address Verification Service (AVS) can assist in helping you meet this qualification requirement.

Address Verification Service (AVS)

The Visa Address Verification Service (AVS) is used to validate the cardholder address at the time of authorization. This information can be helpful in determining if the person using the card is actually the cardholder. To request address verification, merchants must include the cardholder's full address and/or zip code in the authorization request message.

To qualify for the CPS/Card Not Present program, AVS is required except in the following circumstances:

- Bill Payment transactions
- Visa corporate card transactions
- Visa purchasing card transactions
- Transactions from the merchant types shown in the following table:

Healthcare Merchants	MCC	Select Developing Market Merchants	MCC
Ambulance Services	4119	Telecommunication Services	4814
Hearing Aids – Sales, Service, and Supply	5975	Cable and Other Pay Television	4899
Orthopedic Goods – Prosthetic Devices	5976	Direct Marketing Insurance Services	5960
Counseling Services – Debt, Marriage, and Personal	7277	Direct Marketing Subscriptions	5968
Doctors and Physicians (Not Elsewhere Classified)	8011	Fuel Dealers	5983
Dentists and Orthodontists	8021	Insurance	6300
Osteopaths	8031	Rent Payment	6513
Chiropractors	8041	Elementary and Secondary Schools	8211
Optometrists and Ophthalmologists	8042	Colleges, Universities, Professional Schools, and Junior Colleges	8220
Opticians, Optical Goods, and Eyeglasses	8043	Schools and Educational Services (Not Elsewhere Classified)	8299
Podiatrists and Chiropractors	8049	Child Care Services	8351
Nursing and Personal Care Facilities	8050	Charity	8398
Hospitals	8062	Court Costs, including Alimony and Child Support	9211
Medical and Dental Laboratories	8071	Fines	9222
Medical Services and Health Practitioners (Not Elsewhere Classified)	8099	Government Services (Not Elsewhere Classified)	9399
Utility Merchants	MCC		
Utilities—Electric, Gas, Water, and Sanitary	4900		

CPS Best Practices for Mail/Phone Order Merchants

The following best practices may not only help lower your costs, but will also provide better protection against disputes and provide a better customer experience.

- If you receive a declined authorization, request another card number. Do not keep trying to get an authorization after the decline or you risk an authorization-related dispute.
- If practical, try to ship to the address verified using AVS.
- Ship merchandise using a method that provides proof of delivery.