



# Payment Technology Committee Work session

December 8<sup>th</sup>, 2008

Chair : Patrick Gloriès  
Board Liaison : Alison Velez

# Agenda

- Committee organization
- “Customer Not Present” Collection of Credit Cards
  - Is the problem of cancellation / no shows truly impacting business ?
  - Can the Card Schemes issued documents help ?
  - What about Guarantee ?
  - What about Pre-Payment ?
  - So what can we do about 3-digits codes ?
- What should be further items of priority :
  - a) Alternate Form of Payment
  - b) Billback processes
  - c) One Time Credit Card
  - d) Deposit as a Guarantee





# Committee Organization

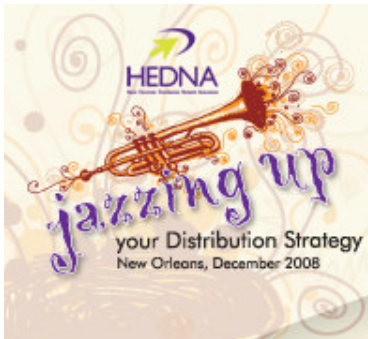
Payment Technology Committee



# Organization

- Committee :
  - Board Liaison : Alison Velez – Principal Member - USA
  - Chair : Patrick Gloriès : Allied Member – EMEA
  - Co-Chair : Rajesh Vohra – Principal Member – EMEA
  - Need Principal Members Co-Chairs in the US and AP
- Activities :
  - What is the best format in between Conferences ?
  - At least let's make sure we know who wants to be involved and active or just informed





# “Customer not Present” Credit Card problems

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# Is there a business problem with cancellation / no shows ?

- In Lisbon we agreed to try and size the problem.
- It appears that losses on no shows / cancellations related to problems with 3 digit codes are :
  - Virtually negligible..
  - Nearly impossible, anyway, to distinguish from other types of chargebacks
- And moreover workarounds do exist ...



# Visa Procedures Guide

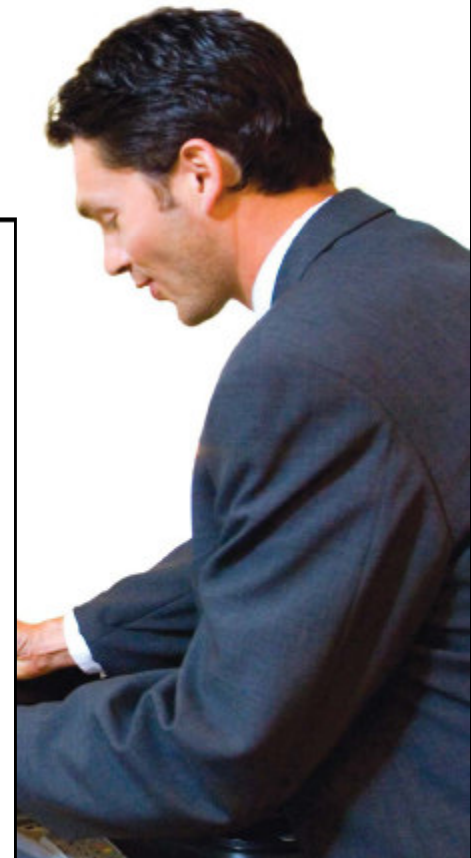


Visa services for the hotel industry  
Front desk procedures guide

January 2008

- Document issued by Visa early 2008
- Very limited distribution so far.. Need to fix this
- Should we pursue with MasterCard and AMEX ?
- Value challenged by some, though ..

Chapter 1:		
About this guide		3
Chapter 2:		
Accepting all Visa cards		4
Chapter 3:		
How to identify Visa cards		5
Chapter 4:		
How to use the Visa reservation service		8
Chapter 5:		
How to use the Visa advance deposit service		10
Chapter 6:		
How to get a Visa transaction authorised		13
Chapter 7:		
How to use the Visa priority check-out service		17
Chapter 8:		
How to add charges to a Visa card after check-out		19
Chapter 9:		
How to use the Visa cash disbursement service		21



# .. useful for no-shows

## Guaranteeing a reservation

*While interacting with the cardholder...*

### 1. Gather information:

- The Visa card account number
- The card expiration date
- The cardholder's name as it appears on the card
- The cardholder's billing address, phone number and e-mail address (if available)

**Note:** The CVV2 (three-digit security code on the reverse of the card) is not required for reservations

## Handling "no show" transactions

If a cardholder fails to cancel a reservation or claim the room, you may submit a Visa sales draft for one night's accommodation, plus any applicable tax.

Simply write "no show" on the signature panel of the sales draft and complete all sections of the sales draft, or complete an electronic keyed transaction as described in the procedure "Priority check-out (card no longer present)".

**Note:** You must still obtain an authorisation if the amount exceeds the floor limit

...in most cases !



# So what is the real problem ?

- Guarantee Bookings ?
  - Use of deposits or other form of payments ?
- Tackle Pre-Paid bookings ?
  - Still a bottleneck to transmit 3 digit codes..
- Cope with 3 digits / 3D-secure / PCI DSS rules ?
  - How can a Hotel comply with PCI DSS ?



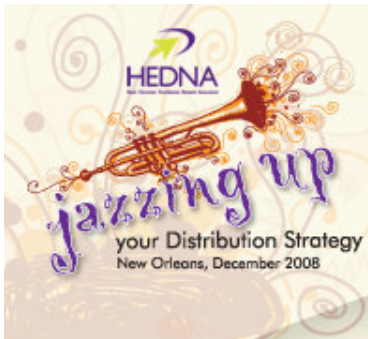
# Next Topics

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# What should our next topic(s) be ?

- Deposit as a Guarantee
- Alternate Form of Payment
- One Time Credit Card
- Billback processes
- any other ... ?



See you in Budapest !

...or before

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