

Retailer News – February 2014 Keeping Retailers up to date

Tony's Take – Economic commentary from BNZ Chief Economist Tony Alexander

Data from Statistics New Zealand shows that in the December quarter retail spending using debt and credit cards was 6.3% ahead of a year earlier. This was the strongest pace of growth since late 2011 (and was compared with growth of 5.2% six months earlier). So people are spending at a faster pace though not engaging in a splurge. In fact, December spending was just 0.6% stronger than November after removing seasonal factors, so you couldn't say that Christmas was a boomer. Will this change? We expect things to improve given the accelerating pace of growth in job numbers as growth in the overall economy heads to (and possibly above) 4% this year. Wages growth is also set to accelerate. But around the world there has been a general wariness of debt on the part of consumers since 2008 and we expect that to continue here in New Zealand. This will restrain the extent to which people look toward strong employment for the next few years and try to spend the anticipated higher income right now rather than waiting for it to arrive in the hand. In addition interest rates are set to rise perhaps by over 1% this year and again over 2015, which will slow the upturn in the housing market. So retail spending growth is likely to improve a bit further, but not into boom territory.

Payment Card Industry Data Security Standards (PCIDSS) and Storing Card Data

Recent large card data compromises in the USA demonstrate that no one company is immune to a data compromise. The best way to avoid the risk is to ask yourself, "is there a legitimate need for your business to store card data?" If there is no need for your business to store any card data, take away the potential risk by not storing any card information.

If you are unsure you may wish to contact the PCIDSS team on pcidss@bnz.co.nz.

If you have a need to store card data, you may only securely store:

- › Primary Account Number (PAN)
- › Expiry Date
- › Customer Name

Retained data must be encrypted, masked or truncated and comply with the Payment Card Industry Data Security Standards (PCIDSS). These standards are now mandatory for all entities that process, store or transmit card data. They are also a requirement of your Merchant Agreement – General Terms and Conditions section 3.5.

To ensure that the integrity and security of your customer cardholder information complies to the standards, please visit:
www.pcisecuritystandards.org or

www.bnz.co.nz/business-banking/cards-and-payments/merchant-services/complying-with-pci-dss/guide-to-pci-dss-compliance

A card data compromise can result in reputational damage and customers taking their business elsewhere. You may be liable for costs incurred upon us in relation to such investigation and remediation, including forensic investigations and reissuing of compromised cards. You may also be liable for any fines imposed by the card schemes of any confirmed security breach.

Terminal Sunset dates for 5.2 version Terminals – 1 June 2014

This is a reminder that the 5.2 specification EFTPOS terminals are due to sunset on 1 June 2014. This means that 5.2 EFTPOS terminals will need to be upgraded and will no longer be able to accept payments past this date.

Unsure if you have a 5.2 terminal? You can check at the website www.areyouready.co.nz

We recommend that you speak directly with your terminal provider about any upgrade options for your business.

If you have any queries regarding any of the above articles, or your Merchant Facility in general please contact our EFTPOS & Internet Merchant Sales and Services team on **0800 737 774, Option 4**.