

Retailer News – March 2014 Keeping Retailers up to date

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

Many of the anecdotes about retail spending have been good over the past month or two with plenty in particular about strong pre-Christmas spending. However when we look at the monthly data on consumer spending using debit and credit cards we find a decline of 0.8% in January which exactly offset the 0.8% rise recorded for December. Things seem to have plateaued for now and that conclusion is strengthened by the near cessation of growth in spending on durable goods. These are things people tend to buy more of when they are confident about their incomes. Annualised growth in durables spending has slipped to just 1.6% from 5% three months ago. Nevertheless, house prices are continuing to rise, the labour market is strengthening, and consumer confidence is at very high levels. So this year is likely to finally bring some good conditions for the country's retailers and the manufacturers who may be supplying them.

Contactless EFTPOS – payWave, PayPass



Breaking the one million milestone in a single month shows contactless payments are becoming an increasingly preferred form of payment in New Zealand. It tells us Kiwis are embracing this faster and more convenient way to pay over cash. Service stations and fast food outlets are leading the way with Contactless transactions.

How does contactless technology benefit me as a merchant?

- › Fast and convenient way to pay – quicker transaction times and shorter queues
- › Reduces cash handling
- › No need for card holder to sign or enter PIN for purchases of \$80 or under.

To become Contactless:

- › You will need a contactless capable terminal – contact your terminal provider for more information on the terminal options
- › Call BNZ on 0800 737 774, option 4 to enable contactless on your terminal.

Contactless Merchant Service Fee pricing

Scheme debit cards used in a contactless (not swiped, dipped or inserted) transaction incur an interchange and therefore will generate a merchant service fee for merchants.

For further information on interchange fees and Contactless refer to:

www.bnz.co.nz/personal-banking/footer/rates-and-fees/business-banking-rates-and-fees/interchange-reimbursement-fees

www.visapaywave.co.nz

www.mastercard.com/nz/personal/en/paypass/index.html

Microsoft XP Operating System end of life – time to upgrade



From April 2014 Microsoft XP Operating System will have reached its end of life cycle, so there will no longer be any support of the product, including security updates by Microsoft. This product was released in 2001, with mainstream support ending in 2009. It is estimated that the XP Operating System is still used in approximately 37% of the desktop market past this date.

Merchants who are still using XP operating systems after April are potentially opening themselves up to a heightened risk of compromise. Unsupported and outdated software versions are a common point of attack on merchant networks, as weaknesses are well known and easily exploited.

Additionally, every merchant has an obligation to be PCI DSS compliant. The continued use of software that is not supported by the provider means that PCI DSS requirements 6.1 and 6.2 cannot be achieved by merchants.

What does this mean? If you have systems using Microsoft Windows XP Operating System, you need to start thinking about a migration plan to a newer supported Operating System.

If you have any questions regarding your operating system or upgrading we recommend you contact Microsoft or your software service provider.

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**.