

## Retailer News – June 2014 Keeping Retailers up to date

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

Retail spending in New Zealand rose by 0.8% during the March quarter after adjusting for the usual seasonal and inflation effects and focusing on core sectors which exclude the purchasing of petrol. This was only a mild slowdown from growth of 0.9% during the December quarter and means that for the entire 12 months to March spending was up by 3.9%. A year earlier growth was 2.5% and this latest outcome is the strongest pace of spending increase since 2007.

Therefore, we can safely say that household spending is increasing. Why? While consumer confidence is high it has been for quite some time. The change now is that people have become willing to act on their high confidence due to a much stronger labour market. Job numbers have risen by a ten year high pace of 3.7% or 83,000 over the past year. Additionally, maybe some people have been reacting positively to rising wealth from higher house prices and boosting spending on increasingly cheap electronic goods.

Will strong spending growth continue? Almost certainly given that we expect continued house price rises, strong job growth, and an ongoing net migration boom.

### **It's time to change your password – PCIDSS (Payment Card Industry Data Security Standards)**

Are you still using the default password that came with your point of sale (POS) terminal? Or, using 12345 or password1? If so, you need to change it right away to protect your customer's confidential payment card data. Passwords are an easy way for criminals to sneak in to access information if not updated from the default or, if passwords are too simple, it can also make it easy for data thieves to break in.

#### **Password time to crack:**

bigmac = 0.077 seconds (not a dictionary word)

B1gMac = 14 seconds (uppercase, lowercase, number)

leB1gMac = 15 hours (8 characters)

B1gMac399 = 39 days (9 characters)

B1gMacandfries = 511 years (14 characters, but only letters)

B1gMac&fries = 344,000 years (12 characters)

As you can see, adding a number or capitalisation, or both, can make a huge difference. Take one step closer to protecting payment card data and change your passwords now.

For further information go to: [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)

### **Put a stop to Shoulder Surfing**

'Shoulder surfing' continues to occur and it's time to make sure you're doing everything you can to stop it.

A 'shoulder surfer' is someone who stands behind a customer using an EFTPOS terminal looking to catch their PIN number. Memorising the PIN, they look for an opportunity to steal their card and use it to withdraw cash or make fraudulent purchases.

As a merchant, you should have a secure EFTPOS terminal site for your customers so they can make purchases by credit or debit card in total privacy. Check that your EFTPOS terminal is located where others cannot easily see customers entering their PIN. Alternatively, you can purchase a PIN Pad Privacy Shield from your terminal supplier. A great, low-cost way to give your customers the privacy they deserve.

Also consider using a terminal that has a PIN pad that customers are able to pick up, shielding the entry of their PIN with their body. Internal fraud is also an area to consider, so please be careful that your security cameras are not aimed directly at the EFTPOS terminal, as this could give your staff members the opportunity to see a customer's PIN.

For an outline of the recommended industry best practices, please visit [www.paymark.co.nz/eftpossecure](http://www.paymark.co.nz/eftpossecure). Paymark's website also has links to the PCI (Payment Card Industry) Security Standards Council website for further useful information.

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**.