

***Interac***<sup>®</sup>  
**cashback**  
**recommendation.**





## Why Interac Association recommends a \$100 cashback limit at the point-of-sale.

Chip technology is a key part of the *Interac* fraud prevention strategy, and migration is well underway. *Interac* debit card transactions using the magnetic stripe have not been accepted at Automated Banking Machines (ABMs) as of December 31, 2012. All POS terminals are to be converted by the end of 2015.

As we near chip migration deadlines, criminal activity is shifting to the non-chip POS terminal. An analysis\* indicates there is a high ratio of fraud at locations offering cashback because these transactions are the next easiest form of access to quick cash.



### Get involved

#### Protect your business and your customers



Fraud that occurs during cashback transactions at non-chip terminals is a growing risk.

All POS terminals will be converted to chip technology by the end of 2015. In the meantime, criminals are focusing their efforts on exploiting the magnetic stripe on debit cards at locations where cashback is offered through terminals that have yet to be converted.

#### Mitigate *Interac* debit card fraud at the point-of-sale



To protect your business, Interac Association is recommending that you limit cashback amounts to \$100 or less for non-chip transactions. By doing so, cashback transactions will become less lucrative to criminals who use this method to steal funds since they will now have to conduct several transactions with low dollar amounts in order to accumulate a significant amount of cash.

Research† shows that 94% of those who use the cashback service already request less than \$100. Therefore, with inclusion of a limit, you can play a role in helping to deter criminals from exploiting the cashback service at your location.

## **Interac cashback recommendation frequently asked questions**

### **What is cashback?**

Cashback allows your customers to make a purchase and also receive cash, all in one transaction. Merchants who offer the *Interac* Debit service have the option of offering "cashback" which allows your customers to request additional cash to be debited from their account.

### **What is the *Interac* cashback recommendation?**

The *Interac* cashback recommendation suggests that you limit cashback amounts to \$100 or less for non-chip transactions.

### **Why is Interac Association making this recommendation?**

The migration to chip technology in debit cards is well under way and full transition to chip accepting terminals will be completed by the end of 2015. Until that time, locations offering cashback remain a relatively easy target for fraud for non-chip transactions. By limiting cashback amounts to \$100 or less, these types of transactions become less lucrative to criminals.

### **Why is the limit \$100?**

*Interac* research indicates that 94% of those who use the cashback service already request less than \$100.

**For more information, please contact  
your Acquirer/Payment Service Provider.**

\*Source: Interac Association Fraud Management Research.

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