Advice to Cardholders Travelling Overseas with PIN Enabled Cards

Background

A small number of Malaysian issuers have noted that several cardholders, issued with new PIN enabled cards, have reported difficulties with using the card in some overseas PIN markets, notably Germany and Australia. Cardholders reported being prompted for PIN, not knowing their PIN, but not being able to bypass the PIN, and therefore the transaction had to be abandoned.

After further investigation, the following points have been concluded-:

1. The markets in question are 100% PIN markets where all terminals support online PIN, and local cardholders must enter their PIN. Bypass is not supported for local cardholders.

2. In the case of Australia and Germany, PIN bypass is supported at terminals for overseas cardholders. However, given that PIN bypass is not allowed for domestic transactions, it is possible that retailers will either not be aware of the PIN bypass capability for overseas cardholders, or be reluctant or unwilling to accept a transaction where the PIN is bypassed to signature.

3. The Malaysian issuers who have reported this issue have to date taken a low key approach to promoting PINs. This is because currently, there is a very low penetration of PIN enabled terminals in Malaysia such that cardholders with PIN enabled cards are not prompted for PIN at POS for the majority of transactions. Cardholders, and particularly credit cardholders, who have been issued with a PIN enabled card by these issuers are very likely not "PIN aware", have not selected a PIN, are not used to being prompted for a PIN, and do not understand or even have awareness of PIN bypass.

4. When travelling overseas to a 100% PIN enabled market (eg. Australia or Germany), these cardholders are suddenly being prompted to enter a PIN for the very first time and are expected to interact with the POS terminal PIN pad. Not knowing their PIN, it is likely that they do not how to proceed, and are not aware of the option to bypass the PIN. Without knowing to ask the retailer to bypass the PIN to signature, it is unlikely the retailer will suggest PIN bypass as an option.

5. There are a number of Malaysian issuers who do not appear to be receiving reports of this type from cardholders when using PIN enabled cards in overseas markets such as Australia and Germany. These issuers would appear to be taking a relatively more emphatic approach with promoting PIN and in particular informing cardholders who receive their new PIN enabled card that if they intend to travel overseas, they should ensure they select a PIN and be prepared to use it when prompted by overseas terminals to avoid card acceptance issues.

Recommendation for All Malaysian Issuers

In order to reduce the risk of cardholders who have been issued with new PIN enabled cards experiencing difficulties in using their card in overseas markets where online PIN is supported at all terminals, issuers are recommended to take the following action.

Issuers should communicate to cardholders in the starter pack included with a new PIN enabled card that if the cardholder intends to travel overseas and use their card, the cardholder should ensure they select a PIN for the card before travelling and be prepared to enter the PIN when prompted by overseas terminals to avoid the risk of their card being rejected. The following is a sample message that may be employed by issuers.

If you have received a new PIN enabled card and will be travelling overseas, ensure you have a PIN for your card before leaving Malaysia. Those countries that have not yet migrated to PIN will still require that you sign for verification of the transaction. However, because your new card supports PIN for purchases, some countries may require transactions to be completed with a PIN instead of a signature, and there is a risk of your card being rejected if you do not enter a PIN when prompted. This is why you must ensure that you select a PIN for your new card before leaving Malaysia. If you do not already have a PIN for your card, follow our instructions on how to select a PIN or contact us.

Indication of Overseas Markets that are Online PIN Capable

The following list is an indication of those markets that support online PIN at POS, and where Malaysian cardholders with PIN enabled cards can be expected to be prompted for PIN at some or all POS terminals within the market. Please note that this list is not exhaustive, and cannot be guaranteed to be completely accurate. Please treat it as an indication only.

Asia Pacific	Europe / Africa	South America	Middle East / Africa
Australia	Austria	Brazil	Israel
Indonesia	Czech Republic	Colombia	Qatar
Korea	Germany	Mexico	South Africa
New Zealand	Greece		UAE
	Hungary		
	Italy		
	Netherlands		
	Poland		
	Russia		
	Spain		
	Switzerland		
	Turkey		