

MasterCard Automatic Billing Updater

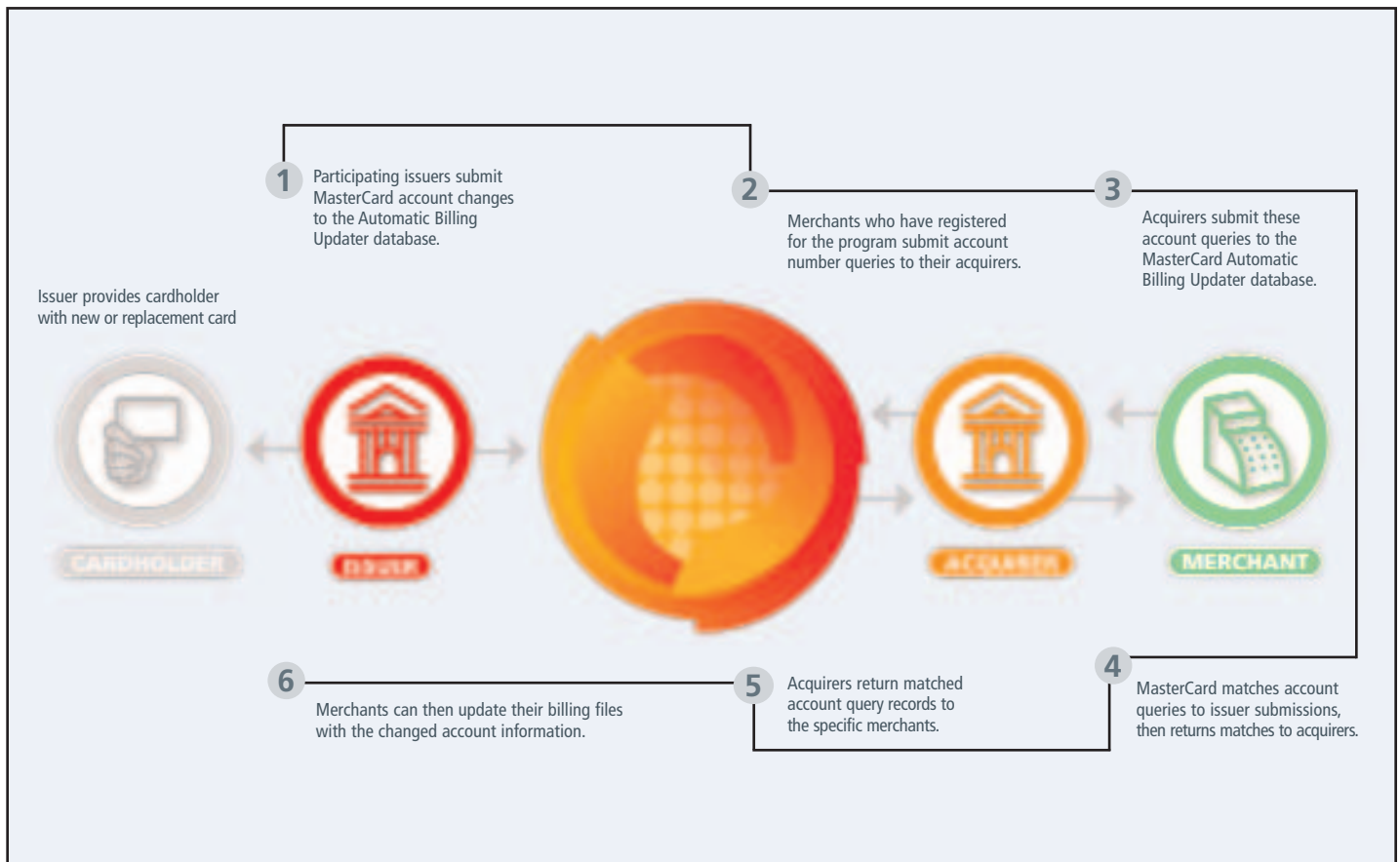


By automatically maintaining the accuracy of customer data, the MasterCard® Automatic Billing Updater prevents disruptions due to account changes. It extends the life of automatic payment arrangements by helping secure these ongoing, revenue-generating relationships, all while locking in revenue, reducing processing costs, maintaining service continuity, and strengthening cardholder satisfaction.

How the MasterCard Automatic Billing Updater Works

Six Easy Steps

1. Participating issuers submit MasterCard account changes to the Automatic Billing Updater database.
2. Merchants who have registered for the program submit account number queries to their acquirers.
3. Acquirers submit these account queries to the MasterCard Automatic Billing Updater database.
4. MasterCard matches account queries to issuer submissions, then returns matches to acquirers.
5. Acquirers return matched account query records to the specific merchants.
6. Merchants can then update their billing files with the changed account information.





Vanessa, Biotech Research Director

The Challenge. Vanessa's always looking for ways to simplify her busy life, so she uses her MasterCard card to automatically manage several recurring payments, including her toll transponder, Internet service provider, cable provider, and health club dues.

Vanessa is a valued MasterCard cardholder, and her issuer recently upgraded her to a Platinum Card. But unless Vanessa quickly provides her new account number to each of her automatic bill payment merchants, she risks an inconvenient (and perhaps embarrassing) interruption in service.

The Solution. MasterCard creates a communication link between everyone involved—including the issuer of Vanessa's new Platinum MasterCard, the merchants who provide her with automatic bill payment services, and the merchants' acquirers. MasterCard Automatic Billing Updater informs everyone of Vanessa's new account number, seamlessly and efficiently.

Everyone Wins. Vanessa's service is uninterrupted. Thanks to the MasterCard Automatic Billing Updater there are no hassles or worries for Vanessa, and her MasterCard issuer locks in a revenue stream. Vanessa's merchants that process her automatic payments avoid declines due to account changes (which lowers their processing costs and keeps their customers satisfied). And the acquirers keep service costs down.

Comprehensive Support from MasterCard

The MasterCard Automatic Billing Updater supports a broad range of account changes:

- Portfolio sales
- Portfolio flips
- Expiration date changes
- Card upgrades
- Re-issued cards
- Lost/stolen cards

Security and Privacy for You and the Customer

The MasterCard Automatic Billing Updater offers flexibility, security, and processing options:

- Takes advantage of state-of-the-art MasterCard transmission technologies
- Ensures proper data distribution through a merchant registration process
- Supports multiple file transmission methods to accept and distribute files

Everyone Benefits

How Issuers Benefit

- Provide additional card utility
- Reduce customer service demand
- Lock in revenue streams
- Increase customer loyalty



Once cardholders assign automatic payment arrangements to their MasterCard cards, they rarely discontinue them. Indeed, the sole reason cardholders switch cards is service disruptions due to routine data changes such as card expirations or changes in account information.

The MasterCard Automatic Billing Updater increases card utility and helps maintain service continuity, which means greater customer satisfaction and loyalty (and lower customer service demand), and helps lock in and increase revenue streams.

In addition, the MasterCard Automatic Billing updater makes portfolio flips and portfolio sales seamlessly, enabling issuing banks to protect their positions.

How Acquirers Benefit

- Increase revenue opportunities
- Improve product line for merchant support
- Decrease service costs



Transaction denial and exception item processing come with significant management and operating costs. Moreover, recurring payment decline rates can average 25% to 30%—much higher than the 5% average for face-to-face transactions.*

The MasterCard Automatic Billing Updater lets acquirers offer a value-added service, helping merchants reduce these costs and bring them more in line with those of face-to-face transactions. Our automatic maintenance of accurate cardholder data helps acquirers increase transaction volume and strengthen business among current merchants with automatic payment arrangements. It can also help acquirers attract new merchants as recurring payments businesses grow—and gain greater satisfaction among their current merchants.

*According to MasterCard Authorization data.

How Merchants Benefit

- Decrease processing cost
- Increase customer satisfaction
- Reduce customer turnover



Every billing period, merchants with automatic payment arrangements brace for the same news: how many card payments will bounce back. Bounce-backs not only frustrate and inconvenience cardholders, they also jeopardize revenue flows. What's more, they increase customer service demand by forcing merchants to contact customers for updated information or alternate payment arrangements.

The MasterCard Automatic Billing Updater ensures uninterrupted service for cardholders and uninterrupted payment for merchants. It seamlessly updates "card on file" account information such as car rental agencies, without impacting cardholders. Perhaps most important, it can maintain and build customer satisfaction, making them more loyal and less likely to switch to another merchant.

How Cardholders Benefit

- Uninterrupted bill payment
- Reliable service
- Greater convenience



Cardholders typically set up automatic payments using their MasterCard cards for two reasons: to make payments easier, and make payments on time without having to remember to do so. When a recurring payment is discontinued because of an account change, the cardholder is usually unaware until the service stops—and that disruption is usually perceived by the cardholder as a sign of poor customer care.

By ensuring that automatic payments continue uninterrupted, the MasterCard Automatic Billing Updater helps provide the cardholder with convenient, stress-free, continuous service (not to mention the hassle and expense of check-writing and late-payment charges).

The MasterCard Automatic Billing Updater is a systemic solution that helps increase automatic payment transaction volume and boosts customer satisfaction while reducing customer service demand.

**For more information, please contact your MasterCard representative today,
or e-mail us at recurring_payments@mastercard.com**