

First time accreditation for Comet Chip and PIN

Company Profile

Comet is the second largest electrical retailer in the UK and part of KESA Electricals plc, a pan-European group operating in seven European countries. Their focus is on giving customers the best price, best choice and best service.

The Challenge

The UK rollout of Chip and PIN from 2003–2005 has been the biggest change in the way we pay for goods and services since decimalisation in 1973. Without Chip and PIN, APACS predicted that fraud levels associated with Card payments at the Point of Sale would rise to £800 million by 2005.

With a liability shift in 2005 to retailers who have not upgraded to Chip and PIN, every retailer in the country who processes Debit or Credit Cards has been affected. Electrical retailers were identified by the banking industry as a 'High Risk' sector for fraud in the run up to the Chip and PIN 'Liability Shift', as items in this category are highly desirable and can be readily converted into cash.

Comet has 10,637 employees, operates 250 stores and 20 service centres, all of which needed to implement the new card-based technology.

"Comet took the decision to invest early in Chip and PIN to avoid being a target of card counterfeiting and also to leave plenty of time for customers and staff to become comfortable with the new method of payment before the January 2005 deadline. Our aim with introducing new technology is always to make the transition as undisruptive for the customer as possible and by starting the implementation early we could ensure that any teething problems were resolved before the deadline." Richard Walton, Project Manager at Comet.

The Solution

Comet were assisted in technical and partner selection by Paul Mason Consulting (PMC Ltd.). IBM Global Services were chosen as project leader, with Retail Logic for the card processing solution. Dione, a Lipman company (Nasdaq:LPMA) to supply the Xtreme PIN pads and long standing IT supplier Sanderson PCSL to develop the EPOS interface.

Pilot stores in Northamptonshire responded well to the technology which they received in June 2004. Rollout gradually grew to 20-30 stores a day until final completion in August 2004. Chip and PIN only affects transactions at the Point of Sale, and not 'card not present' transactions, for example web-based purchases.

Fundamentally, with a project timeframe of just ten months from initial brief to full deployment, Comet needed to ensure that they were accredited first time.

Solution Summary

Customer Profile

- Leading electrical retailer

Challenge

- To allow Comet to trade in an uninterrupted fashion whilst reducing fraud liability
- To develop and implement a highly advanced payment system
- To rollout the system across all 250 stores

Solution

- An advanced payment system rolled out across all Comet's 250 stores and 20 service centres in less than 10 months

Benefits

- Protection against fraud exposure and liability
- Quicker transactions at the till
- Reduced cost and time of online authorisation calls
- Quick adoption of technology



The Benefits

By moving quickly Comet has already seen benefits from the Chip and PIN implementation and is especially surprised by customer confidence in the new technology. "Customers seem to prefer the new technology and are reassured that the extra security measures taken by Comet will ultimately protect them against fraud." Richard Walton, Comet.

Other benefits include:

Protection against fraud exposure and liability - Comet is now confident that they have taken the necessary steps to reduce their exposure to plastic card fraud.

Quicker transactions at the till – Many Comet stores have found that the time it takes customers to pay for their goods has reduced as a result of the Chip and PIN system. The time it takes customers and staff to find a pen and check a signature has been largely removed meaning that more customers enjoy a more efficient service.

Reduced cost and time of online authorisation calls – Using the Chip and PIN system more transactions can be authorised offline by the card and PIN Pad, here again providing a faster transaction time. Chip and PIN also reduces the cost of Till Rolls, as there is no need for a separate receipt.

Quick adoption of technology – By passing accreditation first time Comet customers and employees were given more time to adapt to this new method of payment before the 2005 deadline. With a structured training programme for all employees, colleagues are fully equipped to deal with customer enquiries relating to the new technology. This ultimately contributed to the smooth transition from signature to PIN.

Comet's project objective was to implement a Chip and PIN system which would allow Comet to trade in an uninterrupted fashion whilst reducing fraud liability by fully adhering to EMV (Europay International, MasterCard International and Visa International) standards. "Comet has achieved all of their objectives and with the help of Sanderson PCSL, IBM, Retail Logic and Dione, we managed to gain Barclaycard Business's accreditation on the first attempt - a fantastic achievement." Andy Hicketts, IS Controller, Comet.

When asked about their success in passing the Barclaycard Business accreditation process David Murgatroyd, Development Manager at Sanderson PCSL commented "Our success in passing the Barclaycard Business accreditation process on the first attempt is due to the close working relationship between all parties involved. Regular contact was kept with Barclaycard Business to ensure we exceeded expectations."

Gary Arthurs, Head of IS "The right choice of partner was critical to the success of the project, along with the full commitment from all areas of our business." In summary Comet not only passed accreditation on the first attempt, they also completed their Chip and PIN project in less than 10 months, something which has taken other retailers significantly longer to do.



Implementing technologically advanced payment systems can be done relatively easily with the right preparation.



The aim when introducing new technology is always to make the transition as undistruptive for the customer as possible.



Comet achieved all objectives and... managed to gain accreditation on the first attempt.

For further information contact the marketing department on:

01924 520300

info@sanderson.com
www.sanderson.com/im