

HOSPITALITY NEWS

THE COLORADO RESTAURANT ASSOCIATION



EMV is Coming... So What?

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By Heartland Payment Systems

Talk about EMV—the smartcard standard for secure payments—has been swirling around the industry for years. Yet many restaurateurs are still unclear about how new “chip and PIN” and “chip and signature” smartcards will affect their businesses on a practical level.

Restaurant operators can take a number of steps to begin preparing for EMV conversion:

Monitor EMV timelines. Although dates may change, a liability shift is currently set to take effect in October 2015 that will make payment processors responsible for fraud losses from businesses without EMV-capable terminals. Processors are likely to transfer that financial responsibility to these business operators. For now, operators should operate under the assumption they’ll need to complete their conversion by October 2015. Card brand websites, payment processors and point-of-sale terminal providers can help operators stay up to date on EMV developments.

Create an acceptance strategy. The conversion to EMV technology could be fairly easy for restaurants that use simple credit-card terminals, requiring the investment of a few hundred dollars and self-installing an EMV-capable terminal. Conversion will entail more fundamental changes for restaurants that use integrated POS systems. Virtually all existing PC-based touchscreen POS terminals with built-in magnetic card readers will require the installation of EMV-capable card readers as peripherals. This could pose new security risks. These peripheral devices won’t be integrated into a terminal’s motherboard specifications, and USB-based peripherals can easily be swapped for identical-looking devices that push card data to crooks. The problem is exacerbated for operators who use tablet-based POS solutions, where wired peripherals are even less practical. A more expensive—but also more secure—approach would be to replace touchscreen PC or tablet-based terminals with terminals that include integrated EMV card readers. As part of their acceptance strategy, operators should:

- Examine their payments equipment and software to determine what changes will be required to accept EMV transactions, and talk with their payment processor or POS provider to figure out how to best accommodate necessary upgrades.
- Determine their EMV acceptance model, including if they will require a PIN, and if they will opt to waive the need for a signature for tickets under \$25 or \$50, for example.
- Outline a rollout plan that stipulates the implementation schedule, budget and other parameters.

Train staff. The move to EMV affects not only affect a restaurant’s technology, but all team members who interact with a restaurant’s POS system – and ultimately, the guest experience. As the EMV transition unfolds, operators should ensure their employees are educated on how to accept chip and PIN or chip and signature transactions, and are prepared to answer customer questions on the new technology.

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