



## **Visa's Comments on the Central Bank of Ireland's Discussion Paper: Consumer Protection Code and the Digitalisation of Financial Services**

**27 October 2017**

### ***Consumer Protection in a Digitised World***

Visa welcomes the opportunity to submit comments on the Central Bank of Ireland's Discussion Paper on *Consumer Protection and the Digitalisation of Financial Services*. We believe this consultative process is an important avenue for industry to offer its perspective on the various benefits and risks arising from the rapid growth of technologically enabled financial innovation. We share the Central Bank's objectives of encouraging innovation, while ensuring consumer protection.

Visa plays a leading role in advancing payment products and technologies in Europe and worldwide to benefit hundreds of millions of consumers. As the web, mobile, and social networks converge, and commerce and payments increasingly becoming digitized, Visa is investing in mobile platforms, technologies, and capabilities to enable consumers around the world to continue to pay, get paid, and better manage their finances in the digital environment, with the same convenience, security, reliability, and global acceptance that Visa has achieved in the physical world. At the same time, we are also extending our network to allow a growing ecosystem of financial institutions, device manufacturers, technology companies, application developers, and mobile network operators to create new, secure, and innovative commerce experiences.

In Ireland, we actively work with the leading banks and the FinTech community on bespoke SME and consumer propositions. We also have strong partnership with global tech giants and leverage those partnerships to deliver innovation at pace to the Irish market.

Visa firmly supports the Central Bank of Ireland's efforts surrounding consumer protection as the financial services ecosystem evolves through technological innovation. Visa strongly believes it is necessary for consumers to receive appropriate information and other protections in order to help create an informed, engaged customer. Visa agrees that it is important for consumers to be able to clearly and easily determine who they are dealing with, and their rights, particularly as business models evolve and financial services activities are increasingly conducted via mobile and digital channels.

Visa supports transparency and consumer safety, and encourages timely and easy to understand disclosure of the key terms related to FinTech service providers, because transparency leads to an informed consumer. Informed consumer choice is important, and uniform disclosures can help educate consumers which as a result will help strengthen consumer confidence.

### ***Trust and Security Empowers Consumers***

Trust is the absolute foundation for digital financial services. Consumers must feel confident in the products and services that they elect to purchase and use, and know their rights if and when they

encounter problems. The continued evolution from physical cards to the digital environment hinges on a high standard of security. Risk and fraud solutions remain a core service delivered by global payment networks. As payments evolve, so do the solutions we use to authenticate account holders and prevent fraudulent activity. As we introduce new risk solutions it is important to balance consumer convenience and security. We apply technology, partnerships and the extensive expertise of our people to keep our systems secure. Our ongoing vigilance is helping to keep fraud at historic lows and we continue our efforts with a focus on the following areas:

- **Protecting Data:** It is vitally important that, where possible, we reduce the risk of data compromises by improving encryption techniques and enforcing rules that restrict how and where sensitive information is stored on merchant systems.
- **Devaluing Data:** Visa has deployed technologies like EMV chip and tokenization that transforms sensitive account data into a form that cannot be used by criminals for fraud. Visa Token Service replaces sensitive account information, such as the 16-digit account number, with a unique digital identifier called a token. The token allows payments to be processed without exposing actual account details that could be potentially compromised.
- **Harnessing Data:** Visa's network — VisaNet — is a powerful tool in the fight against fraud. Visa's Cyber Fusion Center brings together the latest innovations to coordinate cyber defense operations and enable rapid response and information sharing. The Cyber Fusion Center harnesses more than six petabytes of data to develop threat detection models and help data scientists better visualize and respond to threats.
- **Empowering Consumers:** Visa account holders are at the front line of protecting the digital payment system. By providing them with transaction alerts and controls, they can monitor their account activity in real time.
- **Zero liability:** is a consumer promise that reduces consumer liability for unauthorised transactions (typically fraud) to zero. The promise applies to all Visa transactions, including face to face, online and ATM.
- **Zero floor limits for all contactless transactions:** helps protect Visa cardholders from the risk of fraud with every contactless transaction now having to be authorised online by the card issuing bank.

We believe the abovementioned focal areas are key drivers to enhancing consumer protection. All players in the digital financial services ecosystem have a role to play to ensure consumers remain protected. Visa remains committed to continue to play its role and to innovate for the benefit of consumers and the ecosystem as a whole.