Digital Debit Mastercard

Product Implementation Guide

Enabling more digital transactions for Debit Mastercard issuers in Maestro markets

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[1] Mastercard Advisors, 2017. [2] Mastercard commissioned study (BCG Market Forces study) [3] Internal Mastercard data. [4] Javelin 'Digital Solutions for the Millennial Profitability Problem 2017.

Description

As the digital payment market continues to grow and increasing numbers of new players continue to enter the market, consumers have heightened expectations around their e-commerce and digital experiences.

Specifically, more consumers want to be able to make online transactions, from any device at any time. Digital Debit Mastercard is a convenient way to allow consumers to shop online from their current account via a companion Debit Mastercard.

E-commerce enablement using the Digital Debit Mastercard positions your financial institution as innovative and helps you actively compete with disruptors in the market. It keeps customers connected to your brand driving higher debit engagement and away from the competition.

Debit Mastercard (DMC) is better positioned to meet consumers' evolving digital needs in many markets by providing a superior online experience as well as much larger online acceptance footprint, in comparison to Maestro.

By delivering on the consumer's digital expectations, they are more likely to be engaged with the bank. And we know that highly engaged debit consumers use more banking products and generate overall more revenue.

Benefits for Issuers:

Drive revenue and profitability

- Global e-Commerce volume is expected to reach $7Trillion by 2022[1]
- Debit Mastercard delivers 39% more revenue per customer[2]

Greater consumer engagement

- e-Commerce active consumers spend 4.5 times more than e-commerce inactive consumers [3]

Build brand stickiness

- 45% of Millennials prefer managing their bank account through a mobile device[4]

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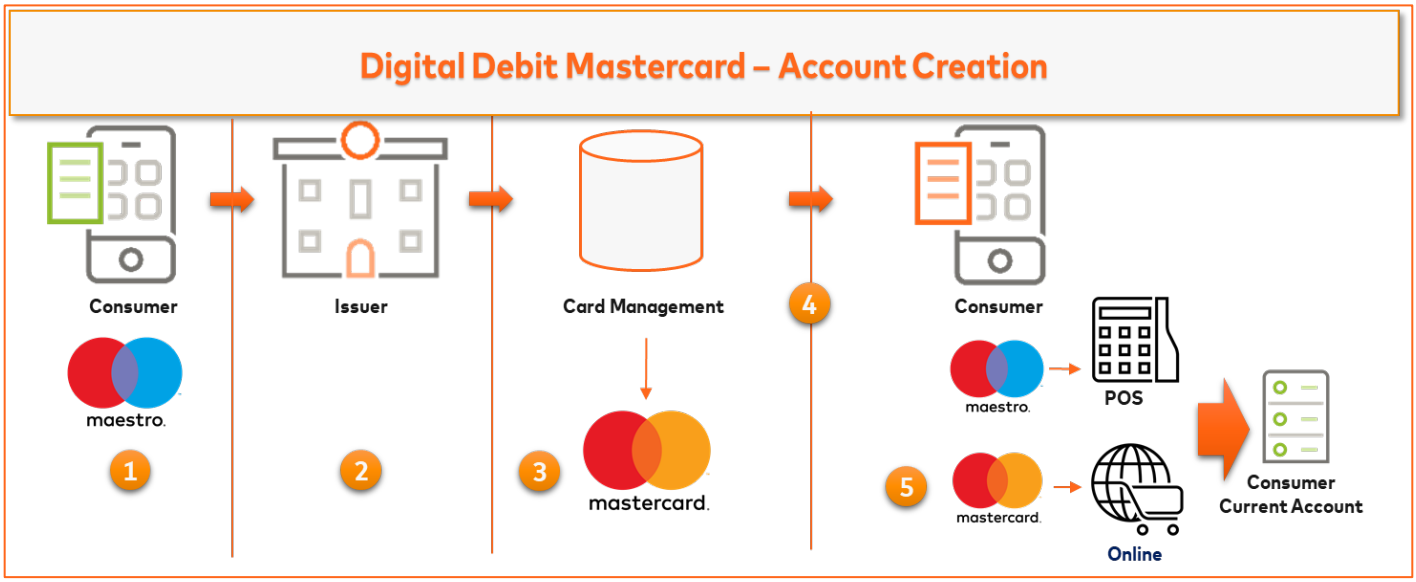
What is Digital Debit Mastercard?

The Digital Debit Mastercard is a solution that enables e-Commerce purchases from your mobile banking app or online banking and complements your existing physical Maestro card. The solution is for issuers that are migrating their Maestro portfolio to DMC and are able to issue DMC.

Because the migration is underway, this solution gets you closer to all the benefits of a full DMC portfolio much faster, whilst now driving incremental revenue from the high growth digital channels, long before the full migration is completed. The Digital Debit Mastercard enables issuers to instantly issue a digital only DMC companion, alongside the physical Maestro card, to support e-Commerce and digital consumer spend.

Overview:

Consumers wanting to participate will start by logging into their Issuer mobile banking app or online banking and will be offered the Digital Debit Mastercard. When the consumer opts-in to the offer, they are instantly issued a digital companion card. These card details point to the current (checking) account - the same account source as their physical Maestro card. The consumer can view the card and its details. Then enter or copy & paste the new Digital Debit Mastercard number, expiry date and CVC into any online Merchant checkout where Mastercard is accepted.



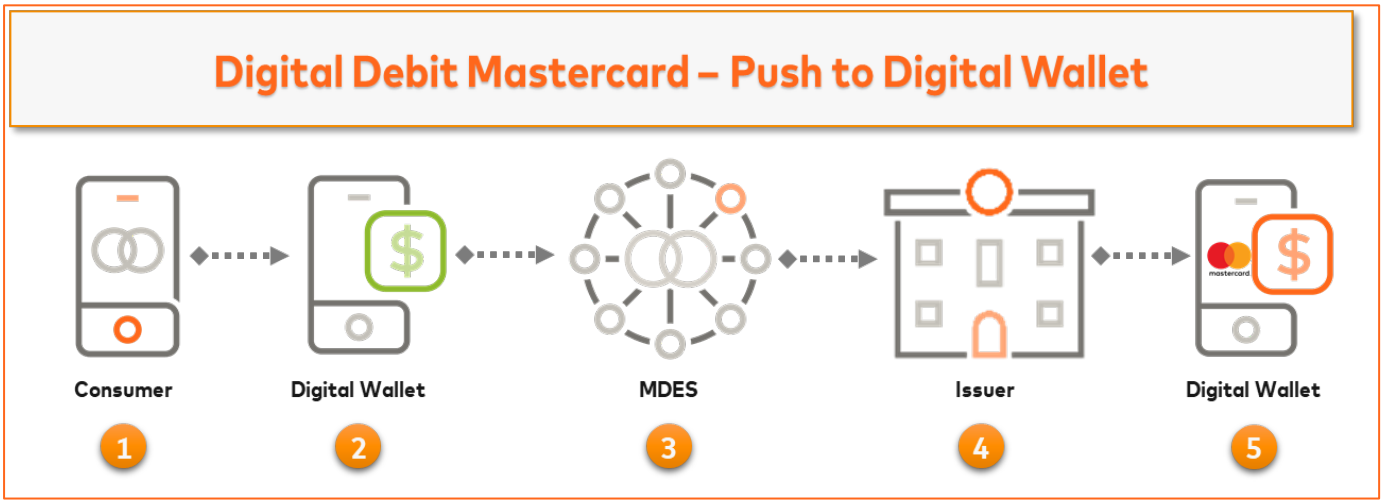
1) The Consumer logs into the Issuer mobile banking app and opts-in to Digital Debit Mastercard.
2) The Issuer verifies the Consumer and requests digital companion card from the Card Management system.
3) The Card Management system creates the new Digital DMC and makes the new card available for purchases and digital wallets.
4) Then the Card Management system provides the details back to the mobile banking app and links the new card to current account.
5) Now the banking app or online banking displays the PAN, expiry and CVC2. The Consumer can spend online with the Digital Debit Mastercard anywhere Mastercard is accepted.

   Both cards authorize payments funded by the same current banking account.

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Participation in Digital Wallets:

Once the Digital Debit Mastercard is issued, it can be tokenized and pushed into a supported digital wallet, like Apple Pay, to enable contactless and in-app payments, offering consumers further innovative ways to pay using their devices.



1) After the Digital Debit Mastercard has been created, the Consumer requests the card be pushed into a Digital Wallet of their choosing.
2) The Issuer mobile banking app pushes the PAN to the Digital Wallet.
3) Digital Wallet requests a Token from MDES.
4) The Issuer performs identification & verification of the Consumer to approve the push.
5) The Digital Wallet is activated with the new Digital Debit Mastercard and it is ready for contactless and in-app payments.

Implementation:

This section provides an explanation of the execution tasks to implement the Digital Debit Mastercard solution. Mastercard will help in scoping the project and collaborate closely, supporting the Issuer on the implementation of the Digital Debit Mastercard solution.

The Digital Debit Mastercard solution works in conjunction with many Mastercard products and platforms. Additional specification, manuals and bulletins can be found as needed on Mastercard Connect.

Issuer host systems are unique and specifications for each proprietary system or third-party processor can vary significantly. This document will provide guidance, best practices and known considerations for implementation of the Digital Debit Mastercard.

To get implementation started, Issuers should review the technical requirements, pre-requisites for digital wallet participation and Issuer considerations.

Requirements:

Below are a few technical requirements that Issuers must have in place to implement the Digital Debit Mastercard solution:

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1. **Issuer must already support Debit Mastercard** or be in the process of supporting it. Digital Debit Mastercard leverages all the Debit Mastercard rules and standards. Please refer to the Debit Mastercard Product Guide found on Mastercard Connect that can be used by Issuers and Acquirers to familiarize themselves with the key features of Debit Mastercard.

   Digital Debit Mastercard can be implemented in parallel with any Debit Mastercard Implementation. Support of Debit Mastercard transaction types should be complete or underway. Refer to your Mastercard representative on how to combine these two service into one implementation.

2. **The Issuer host system must have the ability to issue multiple PANs** and point them to the same current/checking account. Whilst different issuer host systems vary in functionality, the ability to point the physical Maestro card and the Digital Debit Mastercard to a single bank account is a feature of most issuer host systems.

   Support for this can be achieved by the Issuer via the following high level approaches:

   a. Multiple card identifiers pointing to one account
   b. Multiple customers identifiers pointing to one account
   c. Other methods involving sequence or segmentation identifiers

   Note that the cards for this solution will have different BINS (one Maestro and one DMC), Mastercard product codes and card designs.

3. **Issuer host system must expose the digital card details to the mobile banking app or online banking immediately.** Issuers must update the front-end consumer experience to display the new PAN, expiry date and CVC securely within the mobile banking app or online banking platform.

Participation in Digital Wallets:

Pushing into Digital Wallet is optional, so if the end to end consumer journey includes the ability to include the Digital Debit Mastercard in a digital wallet such as Apple Pay, Samsung Pay, Google Pay or others, then the implementation considerations below should be followed.

1. The DMC BIN must be MDES enabled. The issuer must sign up and agree to support tokenization through MDES.
2. Issuer must choose to one or more of the digital wallets. During MDES enablement the available wallet can be selected.
3. Issuer must be integrated to MDES in order to support contactless, including PIN at the POS, and in-app transactions. Additional MDES detail can be found in the MDES Issuer Implementation Guide (MIIG) on Mastercard Connect.

Issuer Considerations:

There are some additional optional Issuer considerations for successful implementation of the Digital Debit Mastercard solution:

1. The Digital Debit Mastercard is not a physical card so there may be impact to card creation processes – such as embossing file entry, physical card mailers or card PIN management and will need to be adjusted to align with Issuer preferences.
2. Upon the real-time issuance of the Digital Debit Mastercard, Consumers may want to use the card for online payment right way. Activation of the card needs to be managed within the Issuer activation preferences and card management policies.

   Also any eventual physical DMC issued with the same PAN would need to follow the issuer's activation preferences which may mean a difference in activation statuses between the digital and physical DMC.
3. Customer services processes and agent scripts should be updated to be made aware of the Digital Debit Mastercard and be prepared for questions being asked about the new solution, including – mobile, online and in-branch.
4. The Issuer should ensure that any digital transactions made using the Digital Debit Mastercard are linked to the account statements and can be clearly identified for settlement processes.
5. The Issuer's card processing and fraud management team must take into account the different transaction types and usage associated with the Digital Debt Mastercard and ensure this is updated within the systems used to manage fraud.
6. Digital Debit Mastercard shares the same transaction types as Debit Mastercard (DMC). Support for DMC transaction types should be underway or already supported :
   - Online/e-Commerce transactions
   - Card-on-file (including recurring payments)
   - Merchant Initiated Transactions (i.e. partial shipment).
   - Refunds – DMC for online, in-app and contactless via wallet

   If enabled for Digital Wallets and MDES:
   - Digital Wallet – contactless (including PIN at POS and Cashback)
   - Digital Wallet – in-app (if offered)
7. Issuer should be ready to market and raise brand awareness of the new product line. Marketing and optimization materials for Debit Mastercard are available through Mastercard Optimization Solutions. For questions and additional support for marketing, please contact your Mastercard representative.
8. Issuers creating card art for Digital Debit Mastercard should follow the Mastercard Card Design Guidelines and can take advantage of the resources on Mastercard Design Center.
9. Testing & Piloting – Mastercard strongly recommends testing in alignment with DMC and MDES required and recommended testing. With the changes to the Issuer mobile banking app and with enablement of digital wallets, it is also highly recommended to execute a pilot test. Pilot testing is typically in production with project members then Friends and Family, ensuring all end-to-end product, processes, and support procedures are ready for product launch.
10. With the new Digital Debit Mastercard and migration to DMC, Issuers will want to report on the growth of the new card and compare that with the Maestro activity. Tracking this activity will provide a solid baseline as the Issuer considers the availability of the physical card, monitoring the continued upward trends.

For questions and additional support for Debit Mastercard implementation, testing or marketing, please contact your Mastercard representative.

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At a Glance:

Technical Considerations for Issuers:

- Issuer host system's ability to issue multiple cards pointing to the same bank account
- Transaction processing systems updates to authorize, process and settle all DMC transactions types including e-Commerce, contactless and in-app
- Risk, fraud and chargeback process readiness to support all DMC transaction types
- The DMC BIN is MDES enabled (i.e. can be tokenized for digital wallet usage)
- Update to processing system to make available PAN, expiry date and CVC in mobile banking app
- Update Mobile Banking app or online banking website to support sign-up and display of digital DMC for e-Commerce, contactless and in-app use
- Customer support / call center system readiness
- One or multiple digital wallet integration(s)
- Ensure that the Digital Debit Mastercard PAN will be used on the new physical DMC when the Maestro card is re-issued or replaced.
- There are no changes to the DMC technical processing solution or service level agreements

Business Readiness for Issuers:

- Sign deal with Mastercard to issue DMC
- Issuer legal compliance check for DMC
- Terms and conditions creation
- Marketing and consumer communication strategy
- Branding – Digital DMC Card art design approval
- Partnerships with digital wallet providers

Implementation Considerations:

- Define objectives, set up project team and perform pricing analysis
- Verify that issuer host system can meet the technical considerations listed
- Create the card design and gain approval
- Design and implement the customer journeys for onboarding and usage of the solution
- Update the mobile or online front-end design work
- Communicate the new service to your consumers
- Integrate to the digital wallet(s) chosen and get certification approval
- Perform a pilot and evaluate results prior to starting full scale roll-out

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