

REQUESTING MOTO (CARD NOT PRESENT)

MID:

Trading name of business:

What goods and services will be purchased using MOTO or “Card not present”?

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.....
.....

Average MOTO transaction value:

Number of estimated MOTO transactions per month:

% of transactions that are MOTO:

Change requested and

Date:

Addendum accepted by:

(Please print name)

ADDENDUM TO MERCHANT TERMS AND CONDITIONS

General Addendum Inclusive of £175 Limit on Transactions

This Addendum to the merchant terms and conditions relates to the activation of "Card Not Present", "CNP" or "MOTO" transactions, as covered in Article III of the standard terms and conditions accepted by you as the Merchant and applicable to transactions processed by you in connection with card acceptance under said Terms and Conditions. In order to allow activation of this service please review and acknowledge acceptance of these provisions as indicated.

Terms of Service/Definitions

"Card Not Present", "CNP" or "MOTO" is a service in the area of payment methods e-commerce/MOTO. Card Not Present (CNP) allows for the acceptance of payment cards in mail order/telephone order. The payment instrument accepted by the Merchant is not presented physically. Apart from the acceptance of the selected card types, BOIPA handles the transactions and settles the underlying payment procedures.

Scope

This Addendum Terms and Conditions set out the additional terms applicable to the provision of services for Card acceptance in MOTO business (CNP Business).

Addendum to Terms and Conditions of Service

- (1) The Parties are aware that the admission of card payments through or by mail, telephone, or fax (mail order/telephone order – "MOTO") involves extra high abuse risks as there is no personal contact with the Customer and the Payment Card is not physically present, so that, as is customary in point of sale card-present business, the PIN application or other means of verifying identity is not possible. Therefore, the admission of such payments is economically justifiable only if all appropriate means to prevent abuse are applied. In this regard the responsibility lies primarily with the Merchant since he has direct contact with the Customer and is able to decide whether the payment by Payment Card should be admitted for MOTO in the circumstances of the individual order and in light of the inherent abuse risk.
- (2) According to the worldwide Rules of the Card Organizations ("Rules"), a chargeback of card payments in MOTO is effected in all cases where the Cardholder disputes that he issued the instruction to debit his card account. In the event of such chargeback BOIPA has to pay the collected amount back to the Issuer even if the Merchant is able to provide other evidence of the orderer's identity.
- (3) The risk that Cardholders dispute the payment instruction described above remains even if measures against abuse are taken. It leads to substantially higher payment losses than in cases of card payments in the POS business.
- (4) A Merchant has the technical possibility to reduce the risk described above if it uses the "3-D Secure" security procedure. 3-D Secure is a special security procedure supported by Visa and Mastercard for the authentication of Cardholders when making payments in the Internet. With 3-D Secure the Merchant requests the Issuer prior to the approval of the transaction to check the identity of the Cardholder by means of the card data of the Payment Card used for payment. The risk of chargebacks for the Merchant's account can be reduced through the use of 3-D Secure if Cardholders generally dispute the use of the Payment Card in the context of a 3-D Secure transaction. However, it has to be pointed out that the Merchant's chargeback risk is assumed by the Issuer only in those cases of instructions disputed by Cardholders that are expressly in accordance with the regulations. 3-D Secure does not cover chargebacks made for any other reasons.

Additional Terms for Acceptance of Payment Cards in the CNP Business

- (1) The Merchant may not set any minimum amount for the use of Payment Cards.
- (2) The Merchant agrees that, in order to provide for increased protection from fraud and to limit its own possible exposure, it will not accept any MOTO transactions that exceed the level of £175 (One-Hundred Seventy Five Pounds). In the event that the Merchant exceeds this level BOIPA disclaims all warranties, obligations and responsibilities under the Terms and Conditions and this Addendum thereto.
- (3) In the event that the Cardholder provides contradictory or incorrect details in connection with the order transaction and the request for card data and this is visible for the Merchant using due care, the acceptance of the Payment Card is prohibited. The same applies in the event that the order itself is unusual (e. g., because on two consecutive calendar days the same purchaser orders more than five (5) identical items or services separately or by several orders together with the respective order; or uses more than one card number) or if there are otherwise suspicious facts indicating an abuse of card data.
- (4) BOIPA shall not be obliged to process card transactions if the Merchant accepts a Payment Card for payment of services that are related to gambling as defined by the laws applicable to the Merchant, to the Cardholder or to the Merchant's services (at present Merchant Category Code (MCC) 7995) and the card that is used for this service was issued in the United States of America. This shall also apply if the service related to gambling is not illegal under the applicable laws in each case. Section 1(5)(d) of the Service-Related Terms and Conditions Card Acceptance General shall re-main unaffected. A service shall in particular be deemed to be related to gambling if it is related to any of the following trans-actions, even if these transactions are carried out through the Internet: placing bets, buying lottery tickets and buying chips or other money units that can be used in connection with gambling that is offered by the operators of gambling, betting and lotteries. In as far as there is no obligation to pay in accordance with sentence 1, BOIPA shall be entitled but not obliged to exclude corresponding card transactions from processing. BOIPA shall inform the Merchant without undue delay of this exclusion. In case BOIPA processes card transactions without being obliged to do so BOIPA's right to exclude corresponding card transactions from processing in the future shall remain unaffected.
- (5) Irrespective of any provision to the contrary in the General Terms and Conditions BOIPA shall be entitled to change or amend the provisions contained in this Addendum with two (2) weeks' written notice to the Merchant if BOIPA so deems necessary due to possible abuse or if such changes become necessary as a result of the Rules to the extent they pertain to the acceptance of Payment Cards.
- (6) In all other respects the BOIPA Terms and Conditions remain unaffected and applicable.