

Credit Card Signatures: Bye Bye



What follows is an article adapted from one published in the Infintech News January 30, 2018. Infintech is my [Credit Card on File](#) gateway and credit card processor for my consulting business. It is also a company I recommend to clients. I've been working with my rep, [Michael Gutlove](#) for 6 years implementing Credit Card on File in medical and dental practices, and can honestly say his customer service is unparalleled.

The rise of mobile payments such as Apple Pay and Google Wallet have set the stage for consumers to have an improved shopping experience when purchasing goods or services. With the influx of convenient payment methods, credit cards companies are continually taken to task on improving overall purchasing practices.

The major credit card brands – MasterCard, Visa, American Express and Discover – have found a way to do just that. These brands recently announced that as of April 2018, **they will no longer require a signature on debit or credit card purchases**, so buyers can have a faster and more convenient shopping experience. This will also help reduce merchants' operating expenses associated with retaining these signatures.

Here is a quick recap of the statements from the card networks according to [creditcards.com](#):

- [Mastercard](#), which announced in October that it would make signatures optional in April, says more than 80 percent of the in-store transactions it processes now

don't need a signature.

- **Discover** said on Dec. 6, that it, too, [would abandon the signature requirement](#). "With the rise in new payment security capabilities, like chip technology and tokenization, the time is right to remove this step from the checkout experience," Discover's Jasma Ghai, vice president of global products innovation, says.
- **American Express** announced Dec. 11 that it will [drop the signature requirement globally in April](#). "The payments landscape has evolved to the point where we can now eliminate this pain point for our merchants," said Jaromir Divilek, Executive Vice President, Global Network Business, American Express.
- **Visa** said in a [blog post](#) that it will make "the signature requirement optional for all EMV contact or contactless chip-enabled merchants in North America, beginning April 2018."

Credit Card Signatures No Longer Fight Fraud

In the past, signatures were perceived as an added layer of protection to prevent customers and merchants from fraudulent transactions. Initially, retail stores could use the signature on the receipt and match it to the signature on the back of the customer's card, but merchants rarely do this making the need for a signature less impactful. Although it isn't mandatory to collect a signature from a customer, merchants can still do so if they wish.

The need for signatures has also declined around the world due to many advancements in the payments industry such as contactless payment options, the global adoption of EMV chip technology and the ever-growing world of online commerce. According to [pymnts.com](#), in the two years since EMV chip cards launched in the United States, fraud at the physical point of

sale has declined by 66 percent. This is attributed to the deployment of EMV technology at the in-store point of sale and consumers' use of chip cards. Signatures as an added measure of authentication is unlikely to create risk for chip card transactions.

Credit Card Security Isn't Compromised

According to macrumors.com, credit card companies eliminating signatures for in-store transactions will not have any impact on customer security. In fact, security is better than ever due to the move towards a more digital payment world.

"Our secure network and state-of-the art systems combined with new digital payment methods that include chip, tokenization, biometrics, and specialized digital platforms use newer and more secure methods to prove identity," said Linda Kirkpatrick, an Executive Vice President at Mastercard.

Both Merchants and Customers Are Okay with this Change

According to usatoday.com, Kirkpatrick says that "eliminating the need for signature is another step in the digital evolution of payments and payment security."

Since security is not an issue, both merchants and customers are looking forward to saying goodbye to signatures. Payments will become easier and more convenient, checkout lines will move faster and merchants will be able to push more customers through lines in a timely manner. It's a win-win for everyone.

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12 Ways to Supercharge Your Practice in 2012: #9 Start a Credit Card on File Program

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Anyone who has read my writing for any period of time knows that I am a big proponent of [No Statements!](#)

Patient statements are a waste of time and resources. Think of what your life might be like without statements:

No monthly expense to generate or send statements via electronic service or printing and stuffing.

1. No need to sort them out of the mail, open them, post them, copy or scan them, and deposit them.
2. No returned checks.
3. When three or more statements don't zero-balance the account, no need to prepare the accounts to be sent to third-party collections and write them off.
4. No need to dismiss the patient from the practice.
5. No need to post any collections payments and adjustment to the accounts.
6. No need to deal with the patient when they want to return to the practice and you have to deal with it.

But what takes the place of statements?

Credit Cards.

Having a credit-card-on-file program in your practice has the potential to simplify patient collections, as well as improving your cash flow. Let's take it a step at a time:

- Evaluate your patient base to determine if a credit-card on file program will work for you. As of the end of 2011, creditcard.com says there was a total of more than 1 billion credit and debit cards (Visa, M/C and A/E only) in circulation in the U.S., and the average person has 2.7 cards. Almost everyone has a credit or debit card and they routinely use them to pay bills.
- Once you decide you want a credit-card-on-file program, decide on a time-frame to implement it.
- Start communicating to patients that you are going to a credit-card-on-file program.
- Shop for an online credit card processor that allows you to set up payment plans and process refunds.
- Develop your workflow for collecting at time of service, and for using the credit card on file to charge balances and make refunds after the EOBs arrive.
- Role play and practice with the staff to make sure they feel confident explaining the credit-card-on-file program to patients.
- Go Live!

Want more information on how to create your Credit-Card-On-File program? Manage My Practice is giving a webinar on the

topic on June 1 – look for the announcement and registration information next week.

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