



Visa Fuel Segment Update

NPECA Annual Conference – May 6, 2025

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Agenda



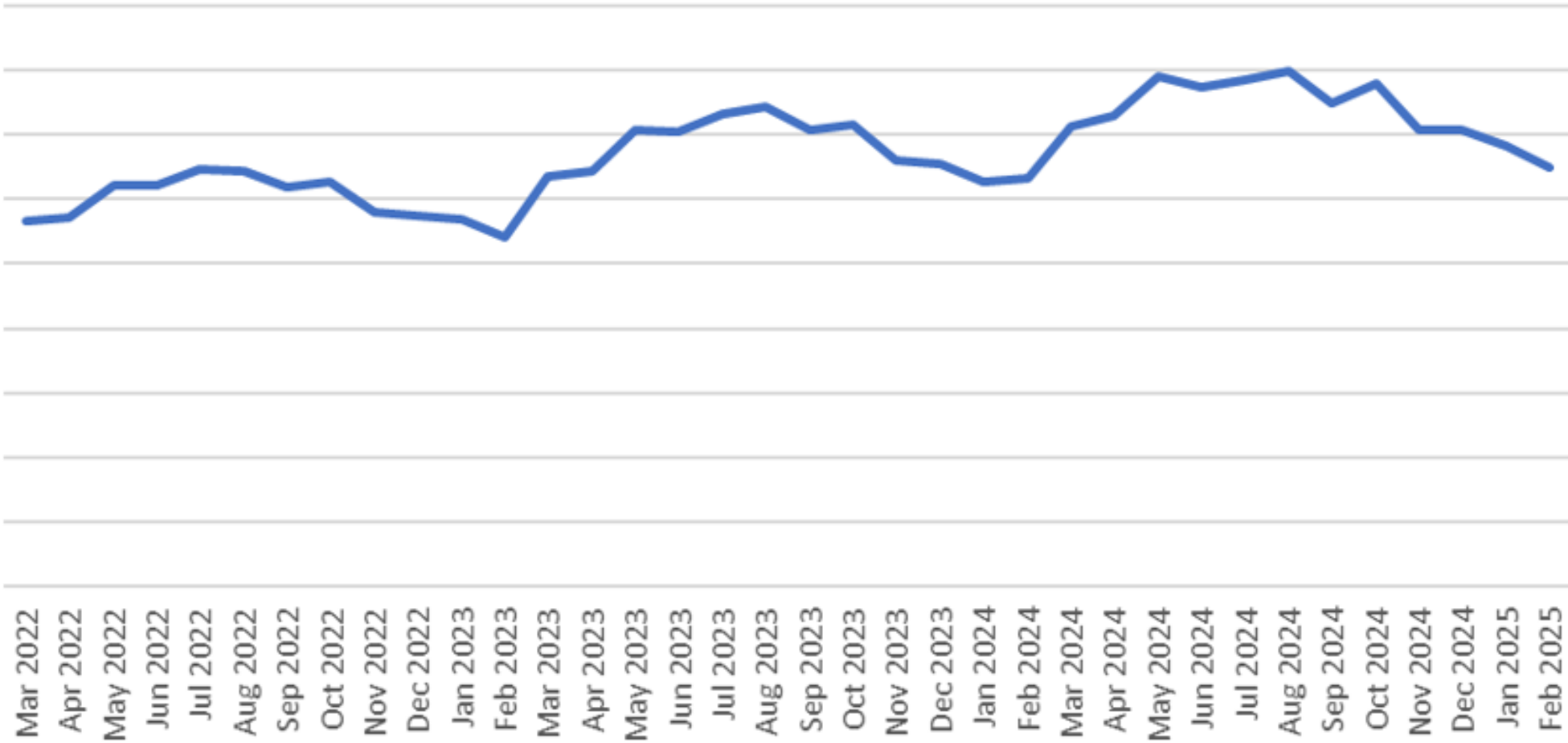
- **Sales, Fraud, Chargeback and EMV Trends**
 - 5541 Inside
 - 5542 AFD
 - 5552 EV
- **Acceptance Initiatives Review**
 - Reminders
 - New

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Fuel Segment Sales, Fraud, Chargeback and EMV Trends

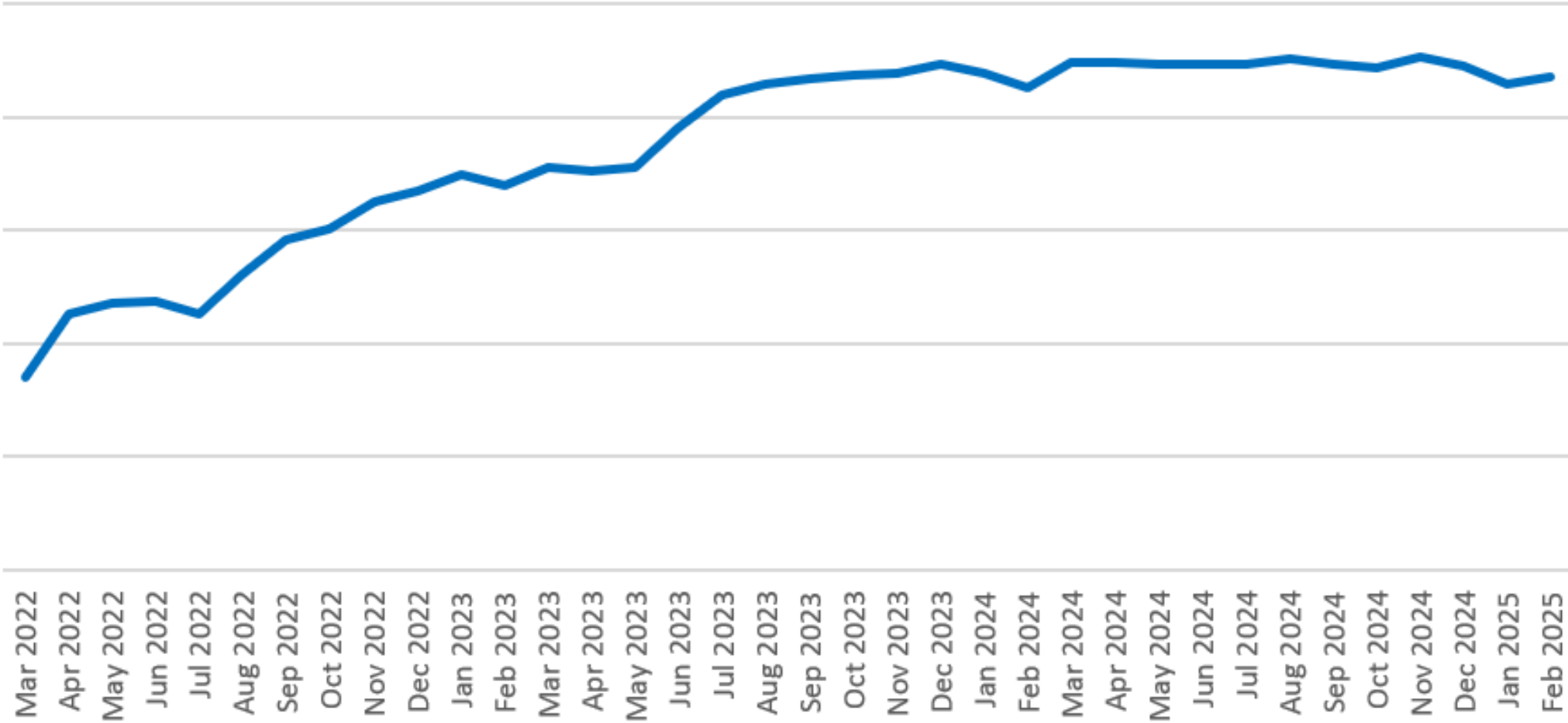
Inside 5541 Overall Sales

Transaction Count



Inside 5541 EMV Chip Terminal Authorizations

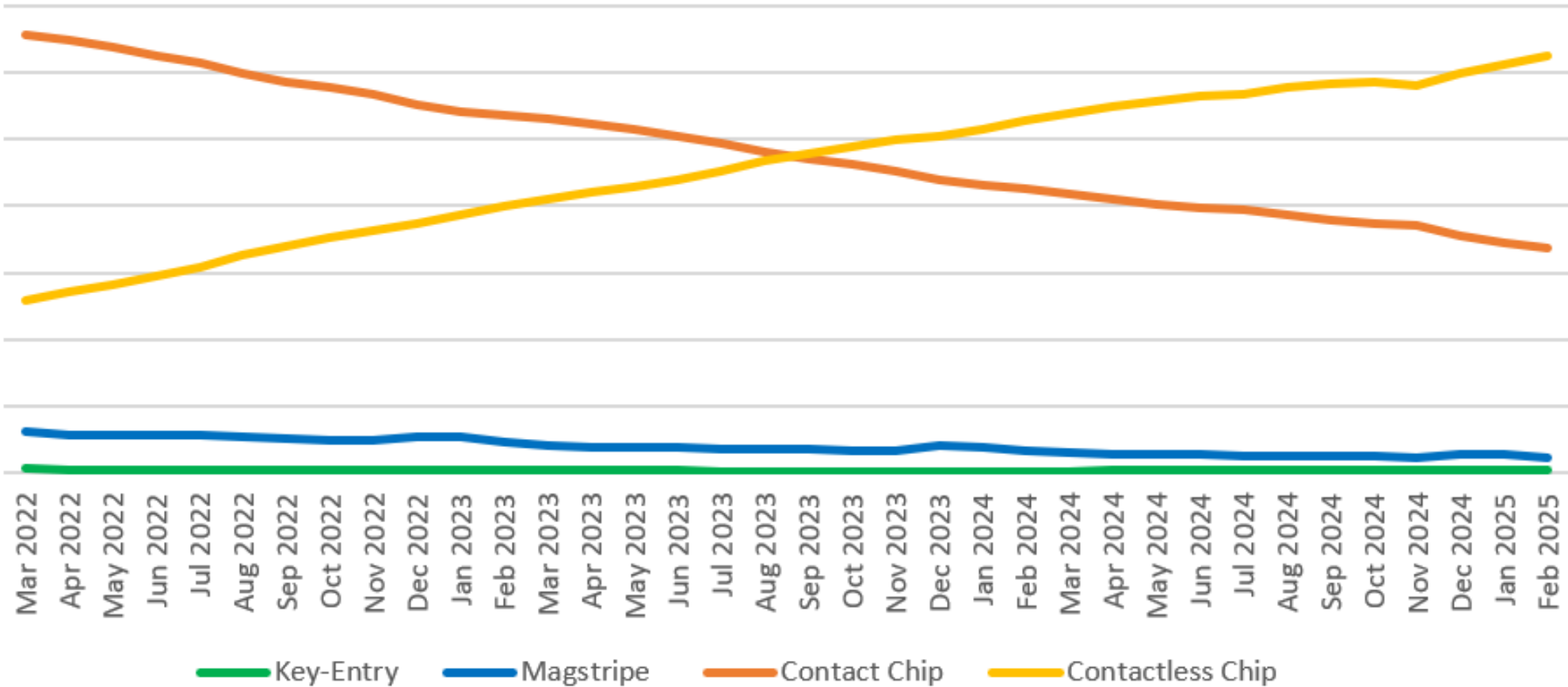
Percent (Count)



Source: VisaNet

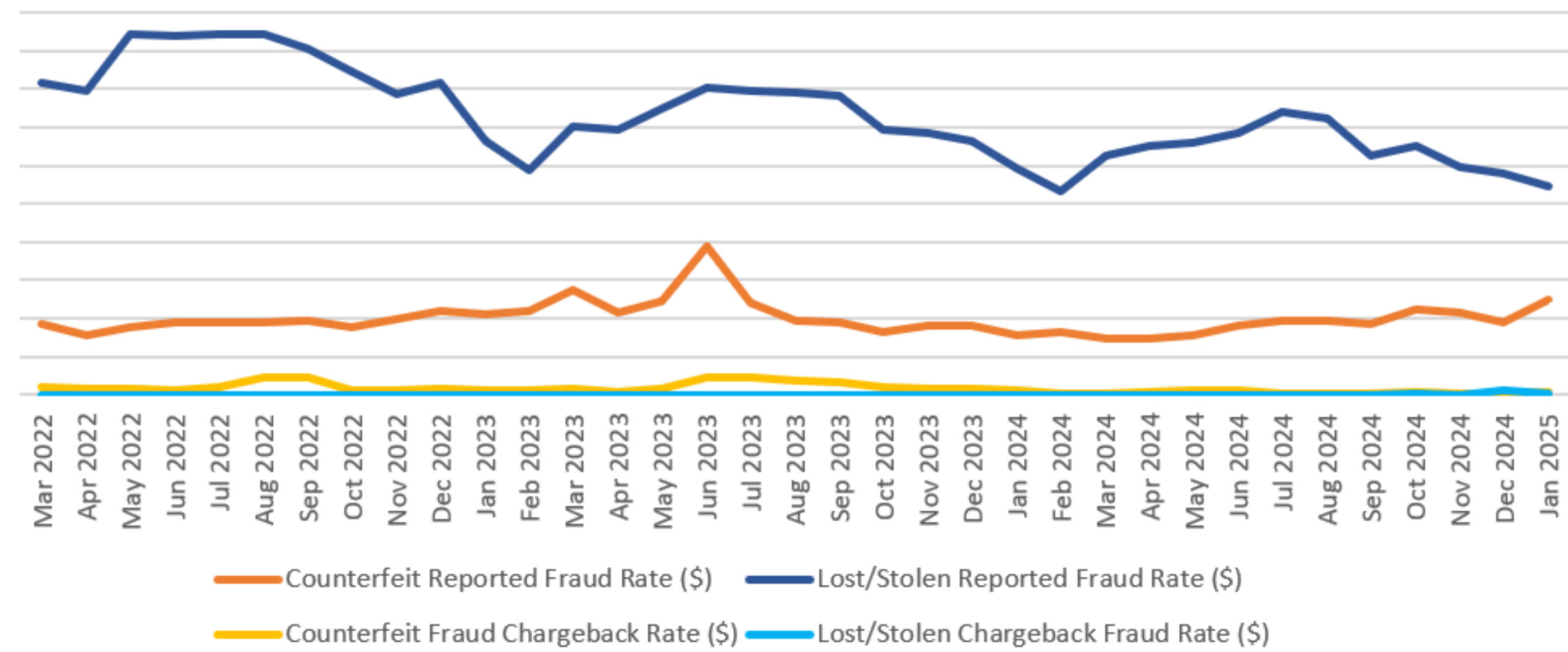
Inside 5541 Transactions By Card Read

Percentage (Count)



Source: VisaNet

Inside 5541 Reported Fraud & Fraud Chargeback Trends



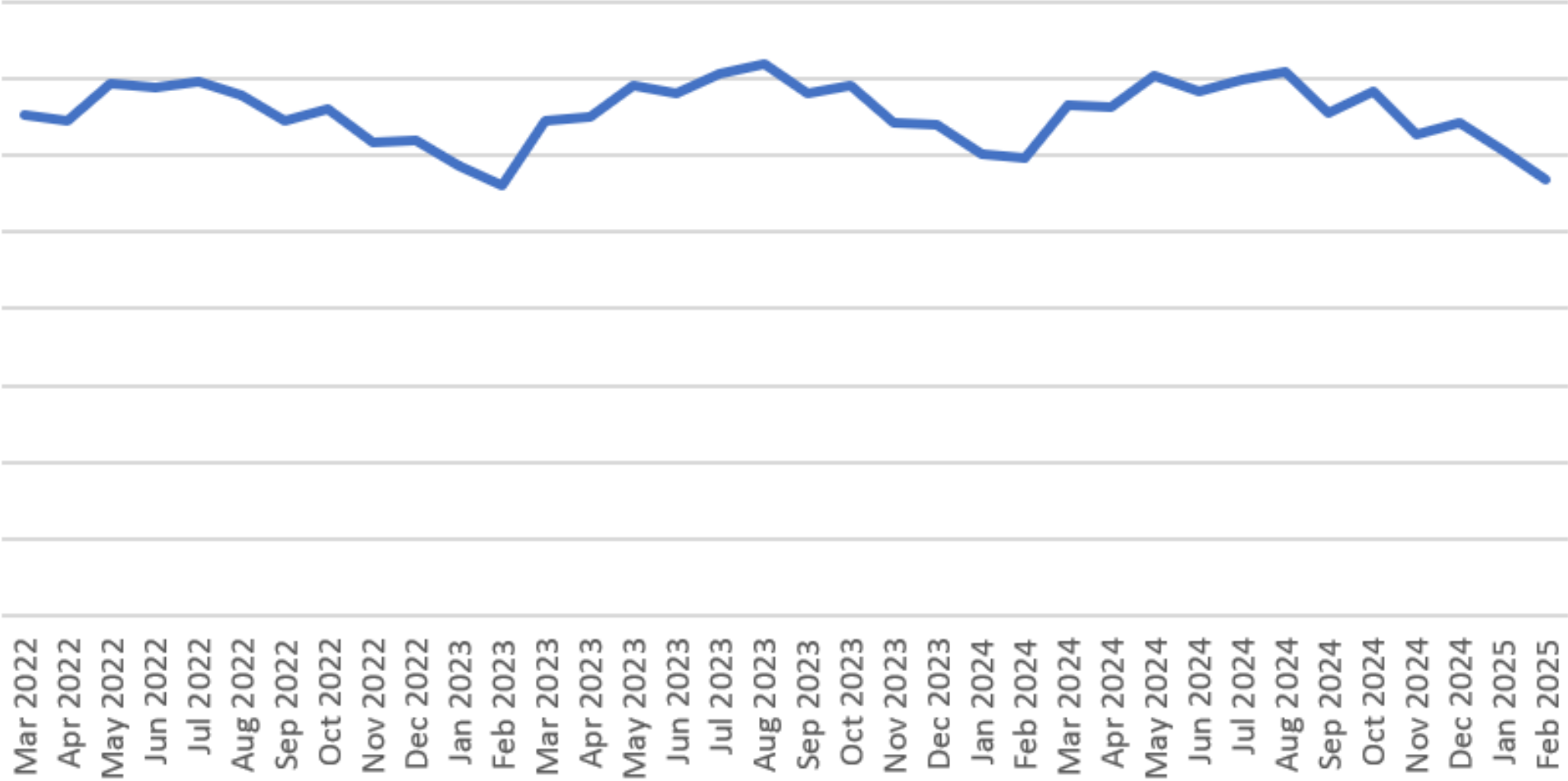
Top Chargeback Reasons – Inside MCC 5541

January 1, 2024 – December 31, 2024

Rank by \$ Volume	Description	% to Total CNT	% to Total AMT	YOY Growth Count	YOY Growth Amount
1	10.3 Fraud - Other Fraud - Card Present Environment	10%	25%	15%	-17%
2	10.4 Fraud - Other Fraud - Card Absent Environment	25%	21%	-4%	20%
3	11.3 Authorization - No Authorization	20%	15%	-40%	-36%
4	12.6.1 Processing Error - Duplicate Processing	21%	12%	-49%	-53%
5	10.1 Fraud - EMV Liability Shift Counterfeit Fraud	8%	11%	-27%	-38%

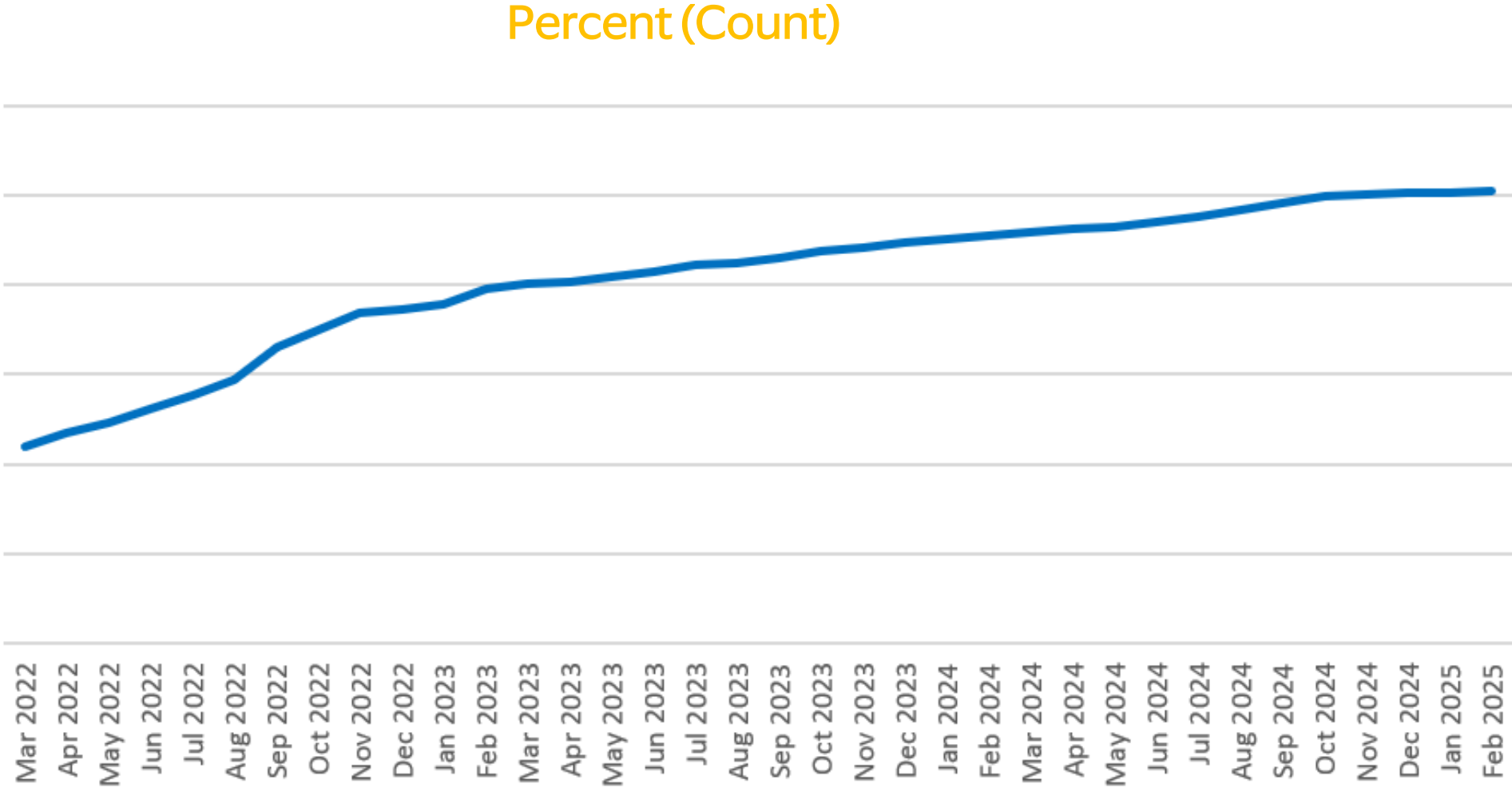
AFD 5542 Overall Sales

Transaction Count



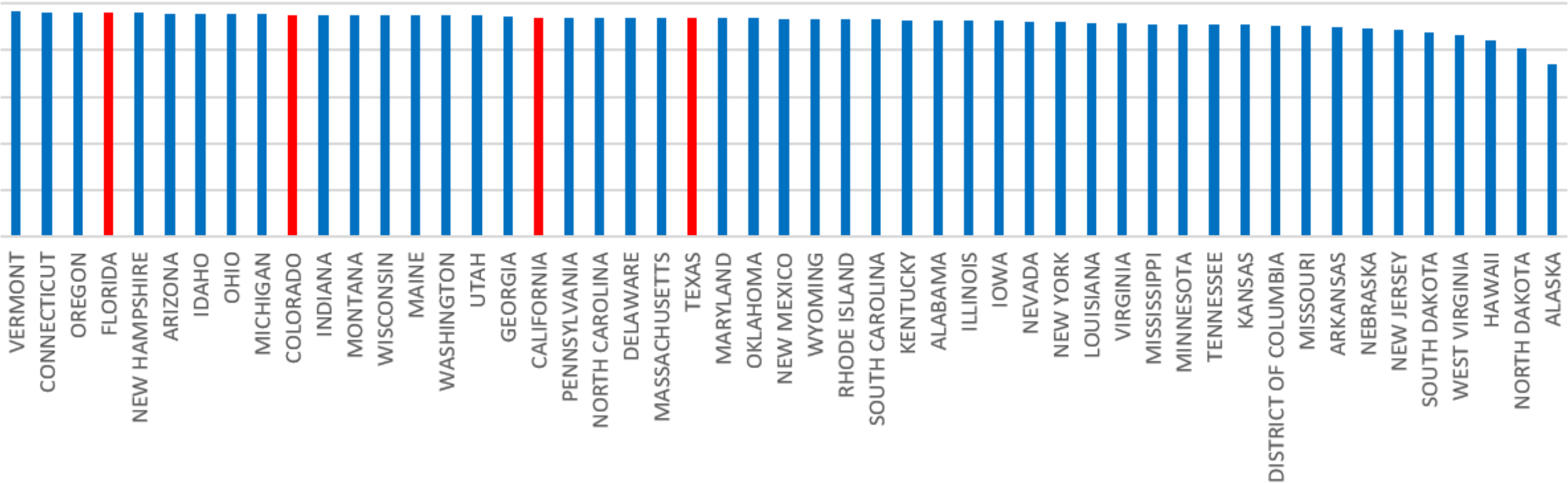
Source: VisaNet

AFD 5542 EMV Chip Terminal Authorizations



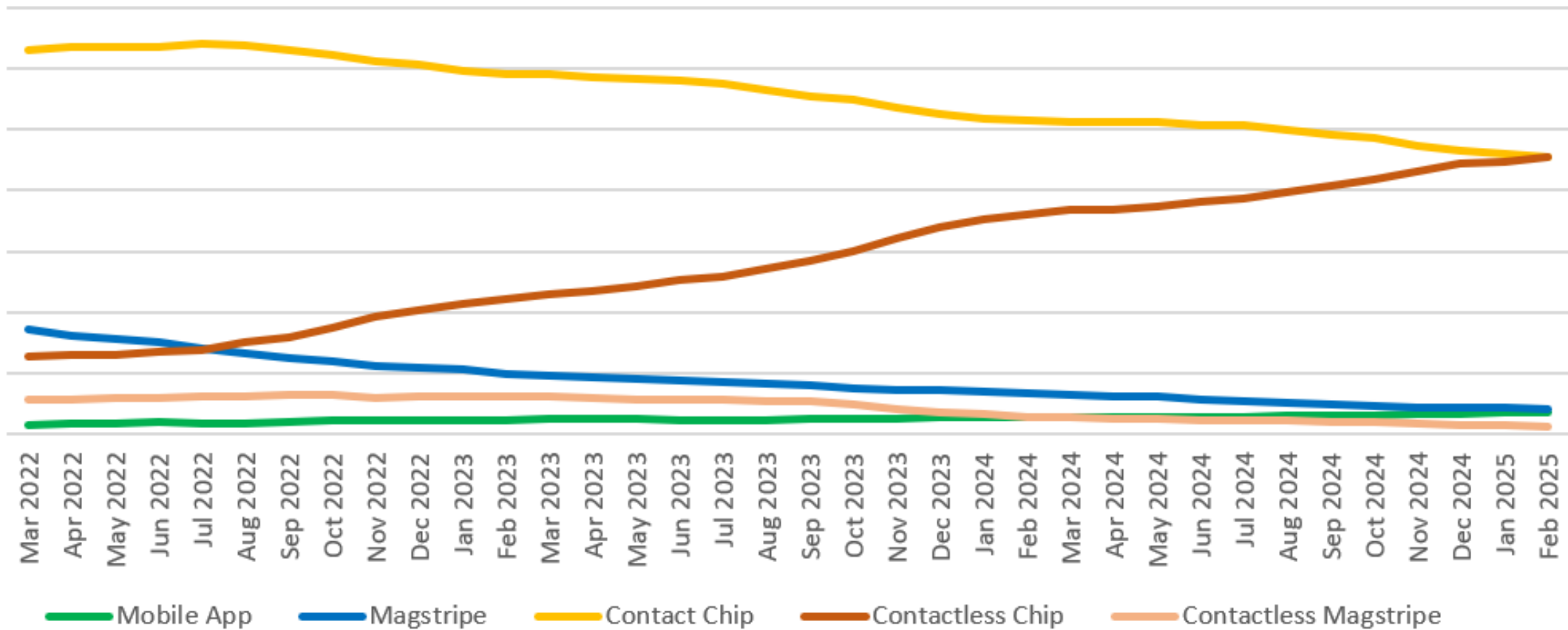
AFD 5542 Chip Transactions By State

Percent of Chip Authorizations (#) by State
February 2025



AFD 5542 Transactions By Card Read

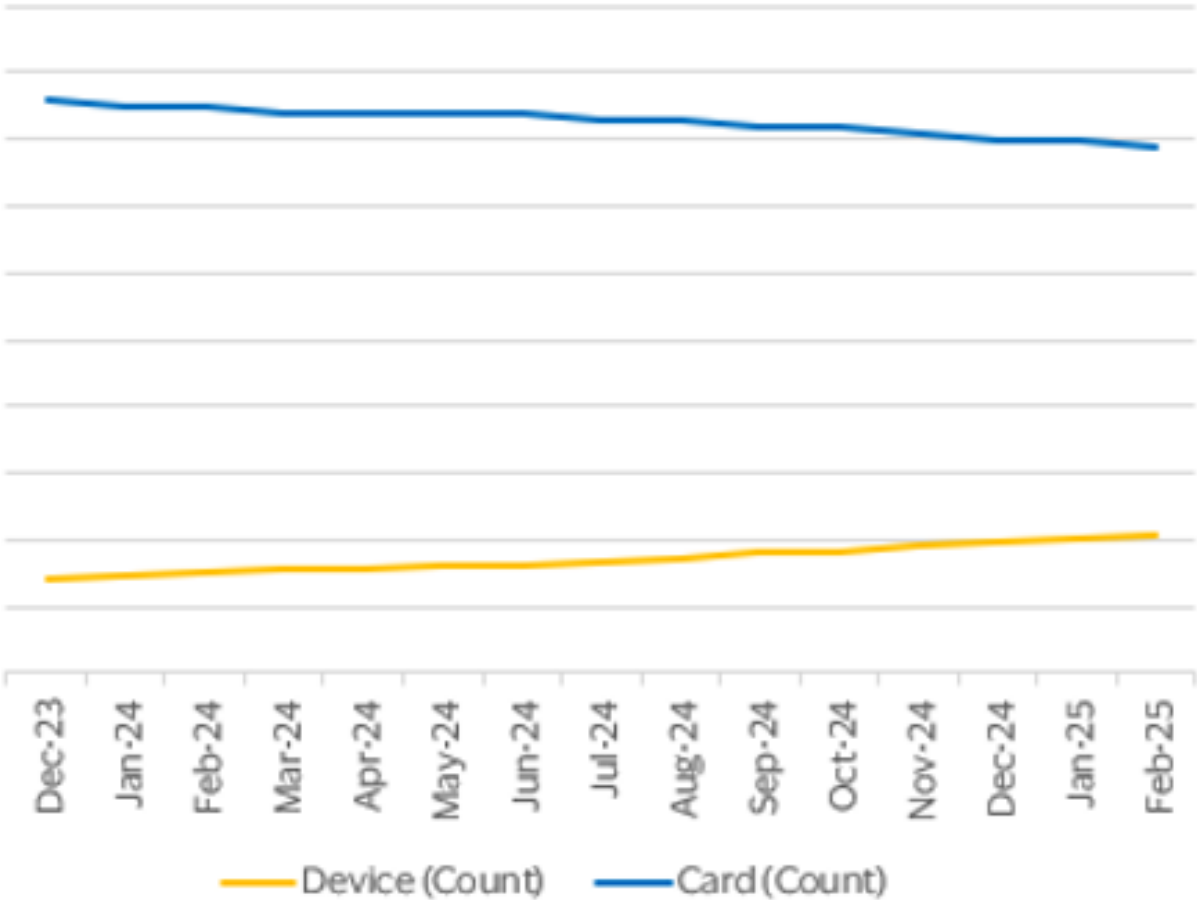
Percentage (Count)



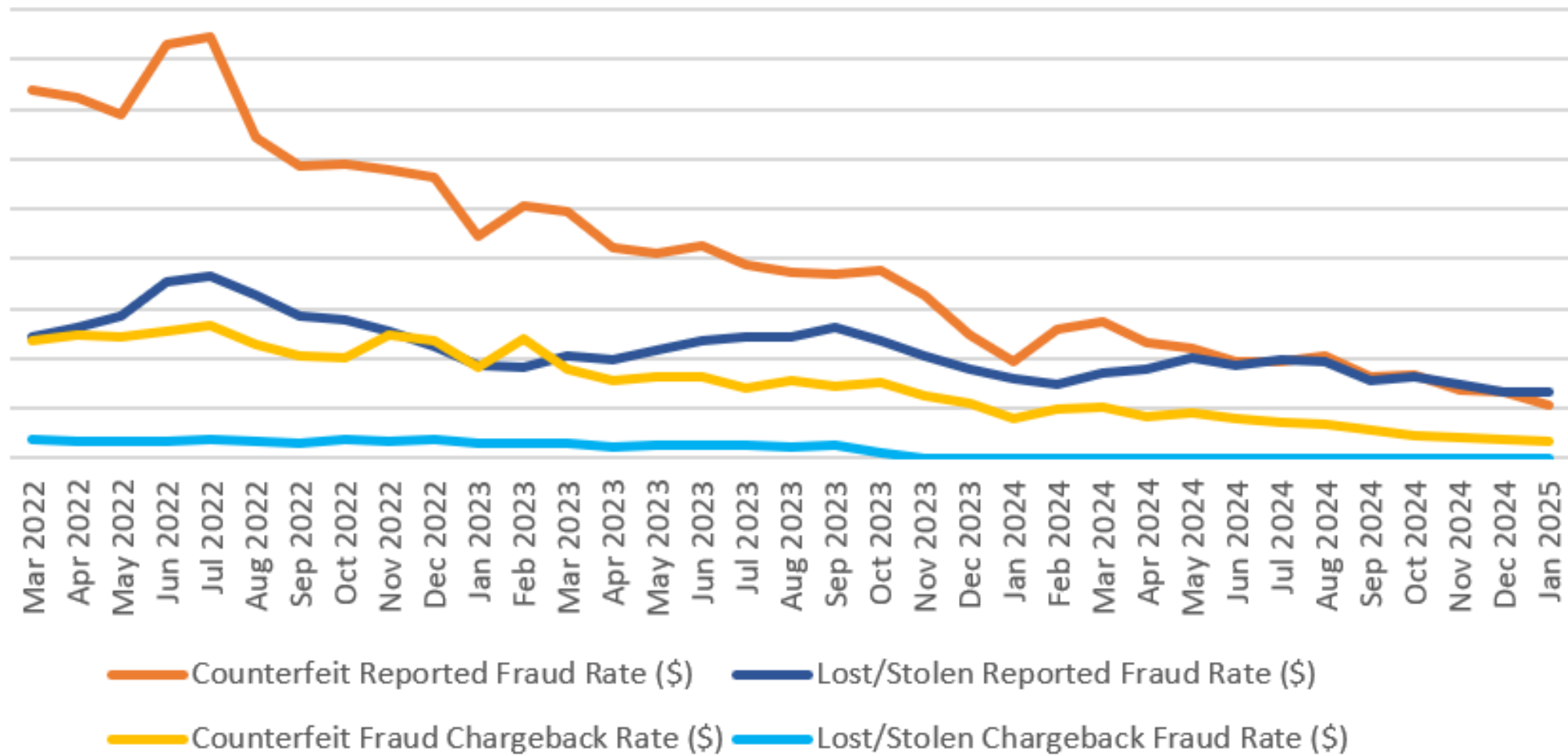
Source: VisaNet

AFD 5542 Contactless Transactions – Device VS Card

Percentage (Count)



AFD 5542 Reported Fraud & Fraud Chargeback Trends



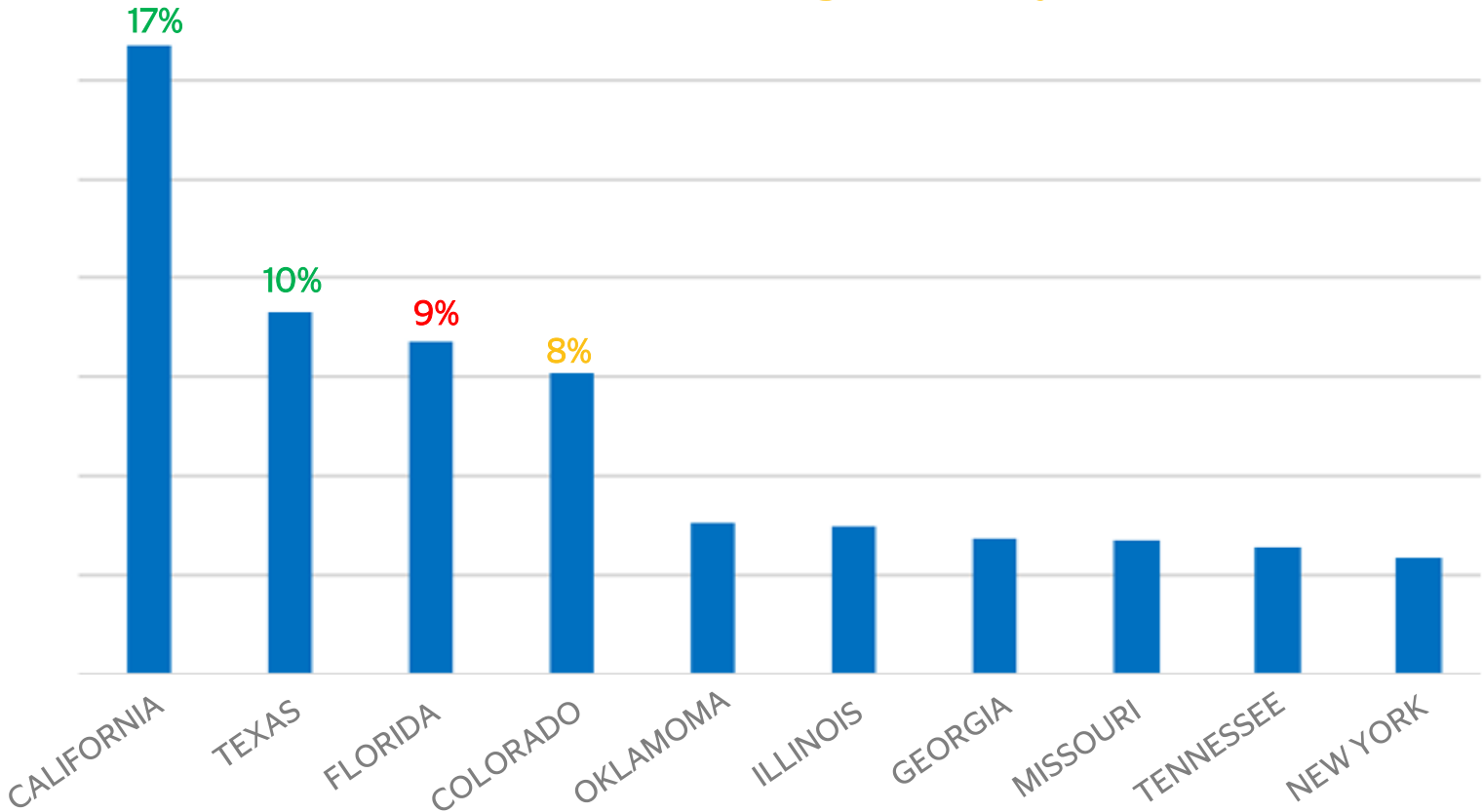
Top Chargeback Reasons – AFD Outside MCC 5542

January 1, 2024 – December 31, 2024

Rank by \$ Volume	Description	% to Total CNT	% to Total AMT	YOY Growth Count	YOY Growth Amount
1	10.1 Fraud - EMV Liability Shift Counterfeit Fraud	47%	59%	-58%	-61%
2	10.4 Fraud - Other Fraud - Card Absent Environment	26%	19%	17%	24%
3	11.3 Authorization - No Authorization	14%	8%	-23%	-41%
4	12.5 Processing Error - Incorrect Amount	5%	6%	-56%	32%
5	12.6.1 Processing Error - Duplicate Processing	3%	3%	-73%	-62%

AFD 5542 Counterfeit Fraud By State

Top 10 States for AFD Counterfeit Fraud (\$)
March 2024 through February 2025



Prior Year

19% 11% 7% 8%



Source: VisaNet

AFD 5542 Counterfeit Fraud By Top Cities

Top 12 Cities for AFD Counterfeit Fraud (\$) January 2024 through January 2025

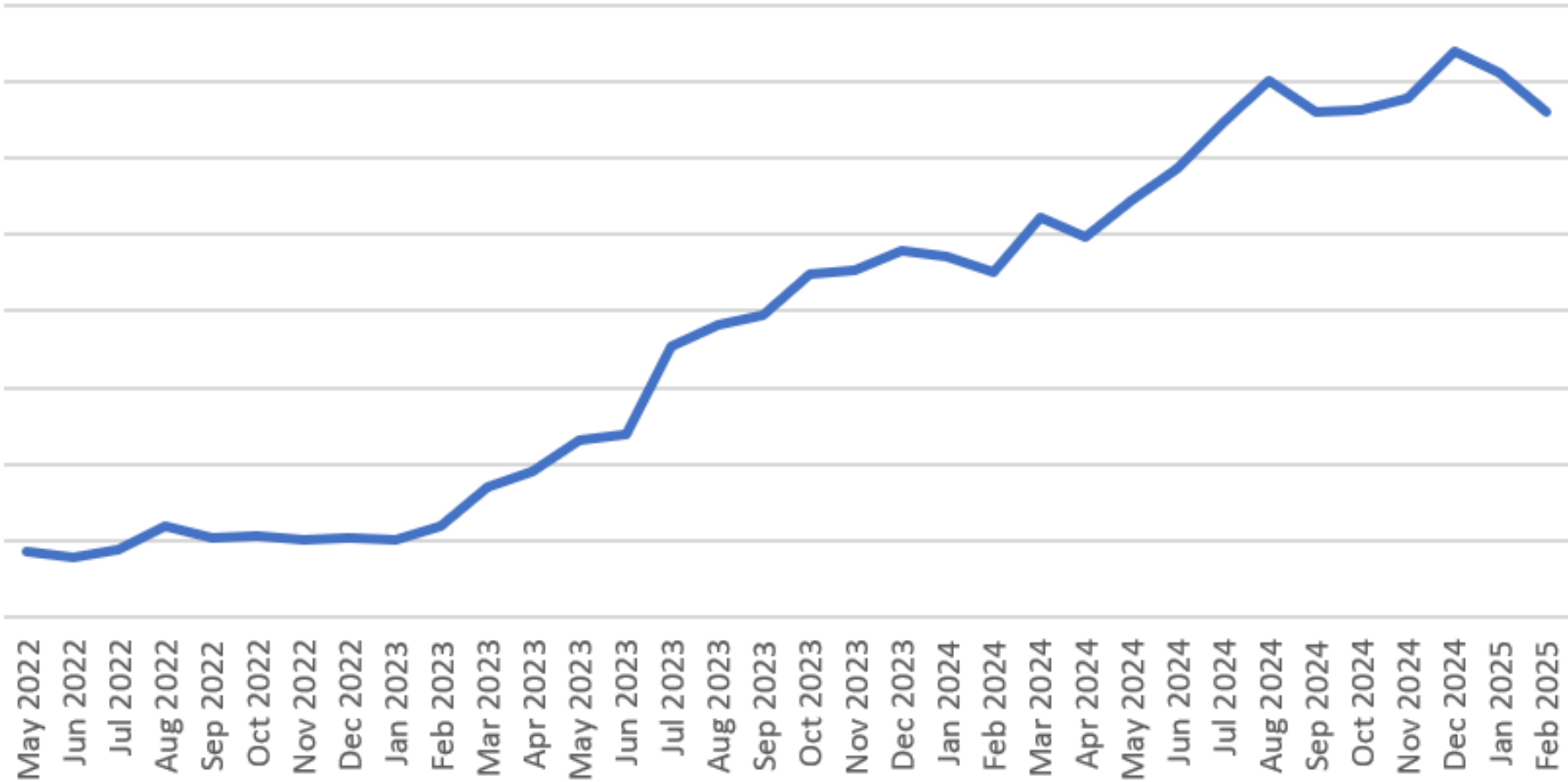
- 1) BAKERSFIELD, CA
- 2) COLORADO SPGS, CO
- 3) STROUD, OK
- 4) MIAMI, FL
- 5) DENVER, CO
- 6) HOUSTON, TX
- 7) LAS VEGAS, NV
- 8) ORLANDO, FL
- 9) SACRAMENTO, CA
- 10) AURORA, CO
- 11) CLEVELAND, OH
- 12) VENTURA, CA

Notes:

- 6 of the top 12 cities are in Colorado and California
- #1 Bakersfield, CA has almost 3 times counterfeit fraud as #12 Ventura, CA

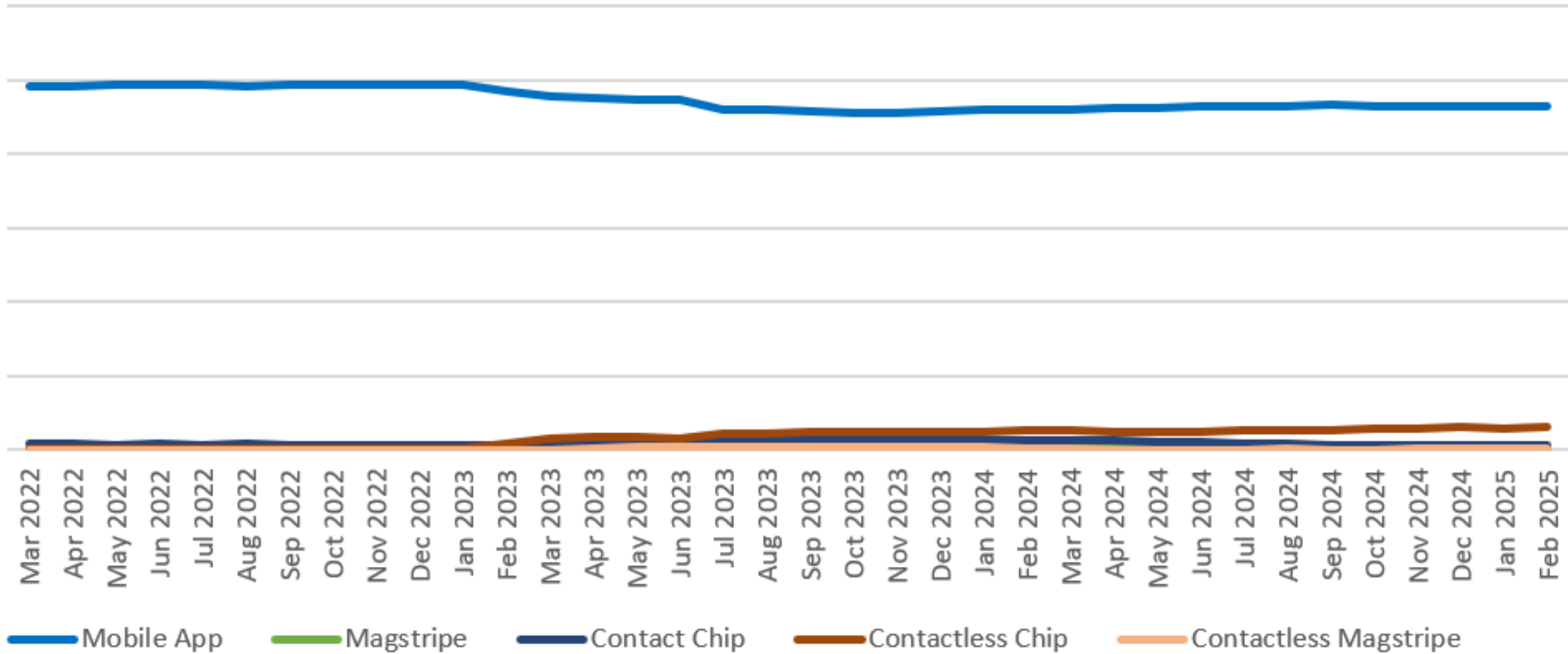
EV 5552 Overall Sales

Transaction Count



EV 5552 Transactions By Card Read

Percentage (Count)



Source: VisaNet

Acceptance Initiatives Review

Reminders

Visa Fleet - Reminder

Inside Service Station 5541 and Outside AFD 5542 Transactions

- **Fleet 2.0 support required for fuel merchants – December 31, 2025**
- **Effective October 2024** CPS AFD program qualification transaction limit increased to \$1K from \$500
 - Aligns with Fleet AFD maximum transaction limit of \$1K
- Fleet card data accuracy
 - Ensure that Fleet card transaction data is accurate and complete
 - Increased monitoring and enforcement

Visa Account Name Inquiry - Reminder

Inside Service Station 5541 and Outside AFD 5542 Transactions (Cont.)

Visa Account Name Inquiry (ANI) available **effective October 2023**

- An additional way for merchants to validate the identity of the customer prior to initiating a card-not-present transaction
- Merchant collects the full legal name of the cardholder and sends it in a zero-amount account verification message
- In response the merchant will receive an ANI result code that indicates whether the cardholder name matched, partially matched or did not match the cardholder's legal name associated with the payment account in the issuer's systems. There is also a response that the cardholder name was not verified because the issuer does not participate in ANI
- Fee per usable ANI result
- The merchant may also populate as additional security check with other verification message data including;
 - Address Verification (AVS)
 - Cardholder Verification Value 2 (CVV2)
 - 3-D Secure (3DS)

MSD Contactless Integrity Fee - Reminder

Inside Service Station 5541 and Outside AFD 5542 Transactions (Cont.)

A fee of 10 cents will be to each MCC 5541 and 5542 MSD contactless authorization **effective January 1, 2024**

- Announced in October 2017 that MSD contactless retired effective April 2019
- To support the migration from magnetic-stripe data (MSD) contactless transactions to the EMV®-based contactless functionality
- Assessed to each authorization message with a POS Entry Mode Code = '91'
- Assessed to Visa and Interlink authorizations
- Excludes authorization reversals
- Originally announced October 13, 2022 MSD non-compliance fee to be implemented April 1, 2023
- Updated announcement on March 16, 2023 the non-compliance fee for MCC 5541 and MCC 5542 transactions only will now be implemented January 1, 2024

Fraud Schemes

Outside AFD 5542 Transactions

- Malware exploiting misconfigurations in AFD terminals to process fraudulent offline transactions
 - Malware in devices (e.g. mobile phones) causing AFDs to offline approve a contactless authorization request without sending to network even though AFD is online
 - ✓ Always configure Offline Limits for AFD transactions at US\$0 (zero).
 - ✓ Configure POS terminals to always obtain an online authorization prior to dispensing fuel
- \$1 Status Check authorization fraud due to incorrect Issuer processing practices
 - Issuers incorrectly holding \$1 instead of the maximum possible transaction amount of \$175 being exploited by fraudsters
 - ✓ Ensure any invalid chargebacks are represented back to issuers
- Malware on devices conducting multiple fraudulent AFD fraud chip contactless transactions
 - Changing token every so many transactions
 - Issuer submitting duplicate processing disputes which are invalid due to fraud

Updated Fuel Acceptance Guide

Inside Service Station 5541 and Outside AFD 5542 Transactions

Updated Acceptance Best Practices Guide for
U.S. Retail Petroleum Merchants

Updated September 2023

Contact Visa Account Executive for a copy

VISA

Visa Payment Acceptance
Best Practices for U.S. Retail
Petroleum Merchants

Updated September 2023



VISA

Source placeholder

Acceptance Initiatives Review

New

Visa IRF Changes – Unattended Devices

Inside Service Station 5541 and Outside AFD 5542 Transactions

- **Effective April 12, 2025** unattended transactions (not including AFDs) e.g. unattended car wash kiosks, can qualify for;
 - ✓ CPS Retail program
 - ✓ CPS Service Station program
- Previous to this non-AFD unattended transactions could only qualify for the CPS Small Ticket program which had a \$15.00 transaction limit.
- No CPS program qualification results in;
 - Higher non-qualified interchange fees
 - Transaction Integrity fee of 10 cents

AFD Estimated Initial Amount Authorizations

Outside AFD 5542 Transactions

PREVIEW

➤ Effective April 2026:

- ✓ US fuel merchants will be permitted to submit estimated amount initial AFD authorizations at their option
- ✓ US issuers not receiving AFD Confirmation Advice messages will be required to receive them

➤ Notes:

- ✓ Utilization of initial AFD Authorizations will be optional and does not impact or change the current methods US fuel merchants utilize for AFD if they elect to remain using them
- ✓ Only requires;
 - changing the amount in the authorization request message
 - including one addition field in the authorization message (Preauth Time Limit - F63.2 = "0002")
 - ensuring that the pump stops at the approved authorized amount or less

AFD Estimated Initial Amount Authorizations (Cont.)

Outside AFD 5542 Transactions

PREVIEW

Below is a summary of US AFD transaction limits for the different methods of authorization with the proposed initial amount limit highlighted in RED:

Authorization Method	Card Type	Transaction Limit
\$1 status check	Non-Fleet	\$175
\$1 Status check	Fleet	\$1,000
Real-Time Clearing	Non-Fleet	\$500
Real-Time Clearing	Fleet	\$1,000
Initial Authorization (optional)	Consumer	\$500
Initial Authorization (optional)	Fleet	\$1,000

AFD Estimated Initial Amount Authorizations (Cont.)

Outside AFD 5542 Transactions

PREVIEW

Benefits

- Allows fuel merchants to;
 - ✓ adjust AFD authorization amounts as the price of fuel goes up and down
 - ✓ differentiate AFD authorization amounts depending on the product being dispensed at a single locations for different pumps e.g. gas for car dispensers and diesel for truck dispensers
 - ✓ differentiate authorization amounts by cardholder
 - ✓ have higher limits for AFD transactions at locations such as marinas and municipal airports where many gallons are typically pumped per AFD transaction
 - ✓ utilize existing suite of VisaNet of AFD processing messages and does not require Real Time Clearing service participation which necessitates SMS processing methodology
 - ✓ maximize authorization approvals when paired with partial authorization processing support

VISA

**Thank
you**