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EMV Fleet Migration  
**Frequently Asked Questions**



## 1. What is a fleet card?

A fleet card is issued to a business and is associated with vehicle-related purchases, with an attached credit limit.

## 2. Who uses a fleet card?

Fleet cards are used by small, medium and large businesses; commercial road transport companies and Government.

## 3. What are the main features of a fleet card?

- Proprietary magstripe card payment
- Switch via BankservAfrica
- Issued to business
- Linked to vehicles not individuals
- Utilises additional transactional data for fleet management

## 4. Who are the participants in the fleet industry?

Participants in the fleet industry include banks Absa, FirstRand, Nedbank and Standard Bank and oil companies BP, Chevron (now Astron), Engen, Shell and Total.



## **5 How is a fleet card different to a garage card or petrol card?**

A fleet card is issued by a bank or an oil company to a business linked to a vehicle and is used for vehicle-related purchases.

A garage or petrol card is issued by a bank to an individual and is used for their private vehicle fuel purchases.

## **6. How many cards are there currently in the fleet industry?**

There are over 800 000 cards currently being used in the fleet industry.

## **7. How much fraud is currently taking place in the fleet industry?**

Over R40 million fraud in the fleet industry is reported per annum.

## **8. What percentage of fuel spend is assumed fraudulent?**

Approximately 5-12% of fuel spend is assumed fraudulent.



## 9. What is the difference between 3-Party and 4-Party model?

3-Party Model = 3 Parties involved merchant, fleet customer and issuer (who is also acquirer)

4-Party Model = 4 Parties involved merchant, acquirer, issuer and fleet customer

Fleet cards currently utilise a 3-Party model and will now migrate to a 4-Party model as is with all other card products. A 4-Party model is associated with a scheme (Visa, Mastercard or BankservAfrica).

## 10. What is the difference between Interchange and Merchant Service Commission (MSC)?

Issuer Interchange is determined by the scheme and/or local regulations via the South African Reserve Bank in their interchange determination process. This is the monetary value calculated as a percentage based on the purchase value that is paid by the acquirer to the issuer of the card.

Merchant Service Commission is the monetary value calculated as a percentage based on the purchase value that is charged to the merchant for the cost of management, maintenance and support of payment infrastructure, scheme fees, transaction processing and risk management. MSC is based on a contractual relationship between the merchant and the acquirer and this will not necessarily be affected by a change in the issuer Interchange regulation. The South African Reserve Bank does not have authority over commercial contractual relationships between merchants and acquirers.



**11. How will the card PIN be managed to ensure it is not compromised where there are multiple drivers for one vehicle?**

Each card is issued with a PIN which can be amended via the issuer online platform to allow for the management of different drivers utilising the card. This functionality provides increased security to identify who has the vehicle and card at the point of purchase and therefore avoid disputes about who utilised the card. Changing the PIN in this manner further allows for more card control and will always ensure that there is no PIN sharing between drivers.

**12. How will the card PIN be managed via the current online system?**

Initially each card will be issued with a PIN to avoid the card being compromised if potentially stolen via the post. On receipt of the card, you will be able to log into the system to activate the card and you can then change the PIN to one that is more suitable to your business or driver. Should the card be compromised at any point and you identify potential fraud, you can change the PIN immediately to prevent further spend on your card until you have received a new card from the bank should you wish to get a new card.



**13. Will this change affect the discounts currently earned per litre of fuel purchased?**

The current relationship is governed between the merchants (forecourt owner) and relevant oil company (supplier/brand owner) for fuel not regulated within South Africa and this will be managed by the commercial agreement discussion between the parties. The industry objective is to embark on a change to migrate the fleet card industry to a more secure and effective platform to add more value to all customers and merchants.

**14. Can the card be restricted to 'fuel-only' purchases?**

Yes, this could be possible which will be more enhanced so that you have more control over all the products you would want to purchase, allowing for limits and additional checks that can enhance your offering and provide you with the assurance that you are protected against misuse. You would need to enquire from your fleet card service provider on what capabilities they have embarked on.



**15. Can other products be purchased on this card and how can the limits be managed to avoid misuse?**

Yes, this will be possible but please be aware that should you allow the card to be used for purchases not linked to a vehicle but to a driver, for example, accommodation, make sure you have the relevant limits correctly loaded. You would need to enquire from your fleet card service provider on what capabilities they have embarked on.

**16. Will the card work in other countries, such as Namibia, Botswana, etc.?**

This will be something that could be accommodated to allow your card to be utilised in any country in Africa. This will reduce your cash handling process drastically and you will have the comfort of receiving those purchases online in real time in most cases, allowing you to manage your spend across South Africa's borders. We will be managing the currency conversions and FOREX reporting components on your behalf and you will be billed in your local currency. You would need to enquire from your fleet card service provider on what capabilities they have embarked on.

**17. Will the card work at tollgates?**

Acceptance of magstripe and chip cards are managed by the tollgate operators. All tollgates accept magstripe cards and at some tollgates, features such as contactless readers are deployed for contactless payments on EMV chip cards. Your card has contactless capability and you do not have to hand your card to the toll operators which means further security protection for you. However, acceptance at tollgates is still determined by the tollgates and transactions will still be offline as is currently in place.



**18. Will the terminal prompt for driver and vehicle information?**

We will be equipping our cards to allow for this functionality as and when the acquirer network accepts the new technology. In time this functionality will become more and more accepted as standard across all merchants in South Africa.

**19. Will there be a capability to activate the cards only once received so that they are not utilised until activated?**

We are excited to allow this functionality so that our customers have increased protection against fraudulent activity. Please contact your fleet issuer service provider to learn more on this capability.

**20. Does the merchant still need to have an agreement with each fleet issuer?**

There will be a migration period where old cards will still be governed via the current merchant agreement. However, for the new chip cards there is no longer a need for merchant agreements. The rules that govern this card acceptance at your site will be via the agreement you have with the acquirer.





**21. Will this change protect merchants against invalid customer disputes/queries and chargebacks?**

Since the agreement is now between merchant and acquirer, the rules of acceptance are managed via Visa or Mastercard. Customers must follow a process to dispute purchases and chargebacks as governed via the scheme rules which provide fleet stakeholders with more protection.

**22. Are there any development and/or additional costs incurred by merchants to allow acceptance of the new fleet card?**

EMV functionality already exists within your infrastructure provided by your acquirer. Our objective is to enhance the fleet card functionality to provide the merchant with more protection against fraud, which is part of the acquirers' value proposition.

**23. How will this impact integrators/aggregators operating within the fleet ecosystem?**

Since we cannot govern or manage the vast number of parties in the fleet ecosystem, we must rely on fleet issuers and acquirers to manage these discussions via their customers' and merchants' relationships. We will be expecting the relevant issuers and acquirers to discuss this with those customers/merchants integrators/aggregators/switchers to ensure compliance to the new standards.

