

# ComPay

## Protect YOUR business – Security notice

This ComPay announcement is in response to a recent indication of suspicious and/or fraudulent credit card activity occurring within the Australian freight and logistics payments arena.

As a supplier of goods and services **you can be at risk** in the event of a fraudulent transaction. It is important that you confirm that your customer of goods or services is a legitimate buyer.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006, provides that you should **know your customer**. You are within your rights to ask for documents proving the identity of your customer before accepting any form of payment.

If the customer is unknown to you or you have had no previous business dealings with them, you should request identification details before accepting any payment, including a credit card payment, and releasing goods or providing a service.

Typical identification questions and activities include:

- Ensure the customers billing address and delivery address are consistent – never forward goods to a P.O. Box.
- Request a land line telephone number and verify it belongs to the customer's business – please beware of customer's who can only provide a mobile telephone number.
- Request that the purchaser provide proof of identity, this may include:
  - a fax copy of their drivers licence,
  - a copy of a paid utilities bill (electricity, gas, phone, etc.),
  - a trade reference,
  - etc.

Many fraudsters prefer to make online credit card payments (Card Not Present), due to the anonymity afforded by this payment method. An online card not present transaction can be made from anywhere in the world. Knowing this, there are guidelines to help.

- Request full details of the credit card being offered:
  - the name of the card holder's bank (the card issuer);
  - the CVV (the credit card verification code) – this is a mandatory ComPay requirement
- Be suspicious if multiple cards are used for a single purchase.
- Don't continue to attempt authorisation after receiving a decline.
- Never undertake payment or delivery unless contact with and assessment of the customer is made.

If the purchaser hesitates in providing any of this information, you should exercise extreme caution.

If a credit card payment is made to a supplier via ComPay and the payment is **successful** this means:

- The account number is valid.
- The card has not been reported lost or stolen, although it may in fact be lost, stolen or compromised, cards can be improperly obtained or copied and the card holder is unaware.
- There are sufficient funds available to cover the transaction.

If a credit card payment is made to a supplier via ComPay and the payment is **successful** this **DOES NOT** mean:

- that the person providing the card number is the legitimate cardholder – the risk remains that the person providing the credit card number has either stolen or improperly obtained the card.
- that the purchaser has not compromised (improperly obtained) the card number, without being in possession of the card.

**Under no circumstances should you accept screen shots of EFT payments** purportedly made to you for the release of goods or services, these are not secure and not authorised – it is very easy to manipulate these before sending.

While all orders from overseas countries represent an increased fraud risk, transactions originating from the following countries have been identified as generating a disproportionate level of credit card fraud:

- Nigeria
- Cambodia
- Ghana
- Indonesia
- Eastern Europe

We are aware of fraudsters who process a fraudulent transaction into a legitimate bank account and subsequently request that a refund be paid by other means such as an EFT or bank transfer. In some instances the supplier is offered an “incentive” to comply with this request, such as a specific amount of money or a percentage of the total value of the transaction

Invariably the initial transaction is fraudulent.

By always processing refunds only to the card from which the initial transaction was made, will protect your business from this type of fraud.

### **Reducing fraud**

If you are suspicious of either the purchaser or the transaction you are recommended not to ship the goods, even though the transaction has been authorised via Compay.

If at any time you have concerns about payments made to your business via ComPay do not hesitate to call the 1-Stop Help Desk.

***Know Your Customer and minimise risk to your business***