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RECOMMENDATIONS FOR THE SECURITY OF INTERNET PAYMENTS

The public consultation refers to a recommendation regarding the security of online payment systems, in the form of dual use of online accounts and online payments with credit cards or similar instruments.

Recommendations "General control and security Environment".

Governance.+

2. Risk identification and assessment. Altroconsumo is absolutely agree that the operators, all with the same intensity, should work to establish adequate control systems that take into account technological change and therefore also to adapt to innovations that introduce malicious third parties in the field scams. It's necessary that those who offer a payment service draws up an offer document for the security policies of online payment systems. We want not only a "best practice" but rather an obligation for all who offer online payment systems.

Monitoring and reporting. As regards the monitoring of the risk situations it is absolutely necessary to take account of complaints from users. And from this point of view of certain claims of the tank has to draw an association of consumers Altroconsumo can be a useful resource. You could think of a regular reporting of consumer associations to the Bank of Italy on the situation at risk.

Risk control and mitigation.+

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Traceability. Since the management of payments are for the most part through the e-commerce sites managed by the operators, should be provided by the banks of the safety standards that can offer to operators of the sites so that they can monitor and manage risk situations and can therefore ensure adequate safety standards for the management of user data.

Specific control and security measures for internet payments.

Initial consumer identification, information. It's right to inform the client, before the payment, of the technical procedures of payment and of their rights. We want this information displayed clearly and not too technical terms (perhaps with appropriate phrases arranged with the help of consumer associations) were located in the well site that operations of the bank in case of online banking sites, that in e-commerce in case of purchases online. Today this information is often found in the footnote, they really should find a location clearly visible at the top of the screen, online and with text very clear and obvious. We believe that it is not necessary to provide a dedicated contract services online payment, but is sufficient to explain clearly all rights and procedures within the contract, bank account or credit card.

Strong customer authentication.

We agree that it is absolutely necessary to provide a strong authentication of users is generally the case for home banking and in the case of payment transactions online. As for accounts online, in our last survey we asked the subject to convey instructions always foresaw the use of passwords as well as access codes also disposable devices generated by token or sent via SMS to your mobile of user. In the attached survey published on S&D in March 2012. For Altroconsumo may be appropriate that the same codes serve as the authentication mechanisms for online e-commerce transactions. In practice also the issuers of payment cards should provide as authentication typing off codes in e-commerce sites generated by the token. If the card issuer is the bank where the customer has a bank account then the token for the generation of off codes may be the same.



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Certainly in the last ten years the cost of bank account in Italy fell more particularly for use by users on-line operations. The Internet banking is becoming more common and this saves time and money to consumers. Obviously, the optimum would be an ever greater emphasis on safety on online platforms by banks.

According to data from the E-Committee of the ABI in 2011 and published on the situation at 31 December 2010 that Italian banks are prominent on direct channels: offer home banking, 98% against 96% of banks offering services over the counter (in fact there are specialists who offer their products online only). So in 2010 the Internet channel has exceeded the levels of the traditional desk. Immediately after the 22% placing the mobile phone banking or on the bank that is experiencing a new fortune thanks to the wide dissemination of newer phones and tablets.

Surely this is the channel that could have big luck in the future by offering customers the opportunity to access his bank online on the move (and in fact most of the banks to adopt Internet and mobile banking the same credentials). Current accounts are allowed access to at least one of the direct channels are 18 million with a margin of 55% on all bank accounts (up 5% compared to 2009). The growth is mainly due to Internet Banking, which is used by 53% of bank accounts with a growth of 12% from a year earlier. The Phone banking is reduced instead of 7%. Of note, which also increases the number of accounts receivable on direct channels, the internet banking have 11 million accounts that have online access at least one year and 7.5 million are those who convey instructions online (transfers for example). Since 2004 the number of qualified home banking accounts has almost tripled (today there are about 18 million were 6.5 million in 2004).

It also increases the number of online accounts just to be clear that the accounts provide favorable conditions for online use and higher costs when you go to the door. In 2004 there were only 4 million accounts pure online, today are about 11 million. Among the operations dispositive of course are popular online credit transfers in excess of 57 million transactions and accounting for 40% of total bank credit. During 2010, there is increased incidence of bank account on line (+12%) and instead reduced the incidence of phone banking (-14.5%).

Current accounts online are certainly very practical, can do many tasks at home and are also cheaper. Of course, since their features (remote

access to funds from the account to make transfers and payments) is absolutely necessary that there are adequate means of authentication, so the bank can be certain that those accessing the site and makes transfers is the account holder or a person authorized by him. We visited 22 sites for home banking and verified what are the keys for access to online accounts to convey instructions, there is no single system, but a lot different from bank to bank (article in annexe).

In our opinion, are certainly appreciated by the banks that have set up mechanisms for dynamic passwords, and then change all the time after a few seconds with a token, a key or a card that generates off codes. In doing so hackers are less likely to enter the customer's account. We have identified twelve (approximately 55% of our sample): Banca Popolare di Puglia e Basilicata, Banca Popolare di Vicenza, Banca Sella e Websella, Banco Popolare, BNL BNP Paribas, Credem, Credito Valtellinese, Intesa San Paolo, Iwbank, Monte dei Paschi di Siena, Unicredit.

Furthermore, we believe an interesting new way to date found only in five sites (Carige, Banca popolare dell'Emilia Romagna, Fineco, Iw Bank, Unicredit) that sends the cell, coupled to the account at the time of its opening, an SMS with the code uses disposable to be added to convey instructions. However by doing so you do not pay royalties for the token or penalty in case of loss of the device. While there seems very little technologically advanced banks that rely on the method of so-called "naval battle" (matrix codes) and even more so those that have a static password (Barclays).

The review of the PSD.

We believe in a revision of the PSD would be good to make it clear that the limits of liability for online account holders in the event of fraudulent use of the account by any third party is 150 euros as for other payment systems (for example, credit cards and debit cards) and that between the payment systems covered by the Directive also includes home banking access codes.



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In this article, our inquiry on payment systems for electronic commerce. Following our requests.

Enrolment for and provision of strong authentication tools.

If you dispute the fraudulent use online the issuer shall reimburse the money to its rightful owner. The law says so. But to increase consumer confidence in the use of credit card banking system should mainly work on the certainty and speed of response in case of disputes. There is an important task that involves market participants and consumer groups us to win the consumers / end users afraid of card payments. And in this sense could also be useful consultation system that identifies the quality standards to which all must conform. Also need to give certainty to the protection of consumers.

In this sense, are the new rules introduced by the PSD when the card is lost or stolen or cloned, but must also work to make sure the response time to users who can not wait until 6 months to see each other wrong, or fraudulent credit your charge card . I can say with certainty that the holder of a card, in case of dispute, the money will be returned within 15 days at most, would do much good to the system. Not enough, however, in this case the quality commitment of banks participating in Patti Chiari ABI (see below) because there are many reports that reach us of people who complain more time for resolving disputes. It is also necessary in this case an intervention of the law.

The banks participating in the consortium Patti Chiari undertook on their own "times redemption charges incorrect / unauthorized of cards." The initiative aims to encourage the broadcasters to introduce procedures to ensure a quicker repayment of unauthorized card charges that the customer fails to recognize, by defining a predetermined time period within which an issuer is required to make repayments themselves. This term was set at up to 15 banking days, from the date of delivery to the customer's request for reimbursement, complete the required documentation for that purpose by the issuer. Among the objectives of the initiative is also part of the customer to ensure certainty about the time from which the period of 15 days. Issuers undertake, in fact, to provide customers with timely and exhaustive list of documents they are required to deliver a practice that can be considered complete and then begin the course of the maximum period for repayment. In most cases it comes to making a complaint to the authorities and a report in writing to the issuer with a certified copy of the complaint. Even in cases where a finding of actual

fraud involving issuers for longer lead times, the amount will be credited to the holder within the aforementioned periods of 15 days, but with the endorsement of the condition "subject to". This condition implies that the availability of amounts credited to the customer is not definitive, because it is subject to the successful conclusion of any preliminary investigation is still pending. This could happen to check for any suspicious transactions on the Internet. Obviously the customer is informed appropriately affixing the condition "subject to" special communication with the individual, presented with the means (including electronic mail) that the customer has indicated the time of filing the claim.

In the case of credit "under reserve", the issuer agrees to conclude the investigation referred to above within a maximum period of 120 calendar days from the date of delivery of completed documentation from the customer. Within this period, the issuer is entitled to charge the amount of the sums credited to his time "reserve", by preceding the predicted charged by the sending of a special individual communication. After this deadline, if it proves not due a refund, the issuer retains the right to use the ordinary action for the recovery of undue payments.

. In the initiative include all payment card, with the exception of the only prepaid card is not linked to a checking account. As regards value dates applicable to repayment of amounts incorrect, the matter in view of its commercial value, is left to the discretion of each issuer in the manner deemed appropriate. Altroconsumo believes that in order to fully return to the previous owner in the situation incorrectly charged the currency of repayment of the charge is the same wrong. Altroconsumo also believes that the refund mechanism under reserve would allow the issuer to repay in a shorter time, then taking advantage of the possibility of new charges in the case where accurate surveys show that the complaint was in fact correct. And some employ as many as 120 days to be certain of a right secured by law seems really excessive. On this aspect further efforts by the operators, we are convinced that this would increase consumer confidence in the instrument by credit card.

Customer awareness, education and communication.

On this aspect of certain programs of cooperation between consumer associations, associations of enterprises and the Bank of Italy are

necessary and desirable. is appropriate for all payment service providers make available to users via SMS alert systems but should not be paying for end users.

News for users.

It would be interesting to have on the page of the website of the Control Authority immediate feedback of all attempts at fishing or fraud occurring online (on e-commerce sites, banks / financial / postal agencies and broadcasters). Have an alert of this kind would greatly reduce the contezioso. In addition to the user is very useful to have the claims in a single site and in various sites of the operators.

New payment systems and new protections

In the near future we will go to the diffusion of new payment systems, in particular bank payments credited to a bank account or virtual account and the "mobile payment". Regarding the payments credited to a bank account or virtual account at the time in Italy there are the following systems: Cartasì You Pay, debit account Bancoposta, PagOnline Unicredit, Intesa San Paolo Pago account, lw Smile web.

What we noticed is that there are different platforms, each with its own management and with different characteristics. Certain uniformity of safety standards also in this case it would not hurt. This uniformity may be a starting point to make it possible for depositors of all banks to pay by this method

The mobile payment.



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Too contactless.

Pay with mobile phone could become increasingly common during 2012. Decree 11/2010 which transposed the Directive on payment services introduced in the market for new operators so-called "payment institutions" that will provide payment services in the market. A great potential for mobile operators who could then offer payment systems via mobile phone. In Italy there are around 46 million SIM cards, the new payment model would be used by a population 13 times greater than those now paying online by credit card. And something moves in the market already. Certainly a market with great potential that could

be really interesting to develop the system of online payments. Certainly innovation must be accompanied by tools to protect consumers in all respects the same as those for theft, loss or cloning of cards.

The market will grow when the telephone operators will begin to use the major innovation introduced by the Directive on payment services that allows them to offer money transfer services as they were actual "payment institutions" the same way as banks.

Certainly, however, that operators will need to commit themselves seriously to overcome the psychological barrier about the safety of mobile phones as a means of payment. The first step could be to adopt safety standards open and shared, since there is no doubt that this type of communication is vulnerable to many types of attacks, including tracking (tracing of its signal) and skimming (for which a third unable to access the payment via cell phone without permission). The phones also can be stolen or lost and, finally, given that new smartphones increasingly resemble a small computer, are exposed to the normal risks such as computer viruses and Trojans.

It is therefore necessary to introduce in the general conditions of contract phone also specific conditions for using the phone as a payment instrument. Reproducing the same protections provided for payment instruments: thus in the case of fraudulent use online chargeback amounts disputed under Article 56 of the Consumer Code and in case of theft / loss of ability to stop payment and have a maximum liability of 150 euros for use prior to notice of theft / loss, as indicated in the directive PSD. Currently in Italy there are the following systems of payment by mobile phone: www.bemoov.it, www.mpayment.it (mobile pay), Postoclick Postemobile,

The review of PSD: the war of the cash.

Under the proposed revision of the PSP would like to report a special case for Italy. We would not like at all that our country was given the opportunity to exhibitors to apply an additional fee for card payments. In fact in our country the card is used little and for a real struggle to cash it would be important to increase the confidence of users for card payments without incurring additional fees.

In 2010 has intensified the struggle of the banking system towards cash, was followed by conferences and studies that have attempted to

demonstrate the evils of cash for the general economic system and therefore pushed for the alternative use of your credit card. But there is something wrong, some users will be encouraged to use credit card if you must pay additional fees for their use. Moreover the law from this point of view is very clear. Paragraph 3 and paragraph 4 of Article 3 of Decree Law 11/2010, which transposed the Directive in Italy Payment Services, state: the beneficiary of a sum of money may reduce the price at which it sells a good or service if the customer uses to pay for a given payment instrument, but can instead apply additional costs to the price of good to the customer that uses a tool payment unless the Bank of Italy does not derogate specifically to promote the use of more reliable tools.

Since currently there are exceptions from this point of view by the Bank of Italy to the customer can not be charged a premium if paying by credit card or Paypal, or prepaid. And yet this happens.

Here is what is evident from our investigation:

- a) on the site www.epto.it customers who pay with credit cards pays a premium equal to 1, 3% of the order, Paypal and 2.2% for payments in cash at the 1, 5 %.
- b) www.mr-buy.com is paid for using credit cards, the 1, 5% and for payment on delivery of the order of 2%.
- c) www.onlinestore.it you pay for use of credit cards, the order 1%, with the 1 Paypal, 5%, with 10 euro mark
- d) www.shop.it additional cost of 1 euro with Paypal
- e) www.ryanair.it cards are expected to pay administrative costs 6 euros which is not charged with a prepaid Mastercard. This too is against the law
- f) www.easyjet.it cards are expected to pay 10 euros + 2.5% minimum € 6 ticket that you pay with Visa Electron