

NEWS & VIEWS ON THE GLOBAL PAYMENTS MARKET

# transact

Issue 2 May 2010

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One Connection –  
A World of Opportunities



# welcome to transact

Welcome to the latest edition of Transact, the payments newsletter for TNS customers and partners around the world. Transact brings you up to date on the latest developments at TNS plus gives you informative insights into the payment related services we provide.

In this issue, Transact focuses on the importance of security and fraud management.

The cost of a public data breach for any merchant or retailer not only seriously damages its reputation within the industry, but also causes a great deal of expense. Growing concern about increased levels of fraud has also heightened awareness around the protection of sensitive card holder data.

Linda Punch, freelance journalist and contributing writer for Digital Transactions magazine explores the need for end-to-end encryption and what this newly formed security approach means for the payments industry.

Transact also discusses the need for staying safe online. Recent findings from Arbor Networks 2009 Worldwide Infrastructure Security Report highlighted the latest issues and challenges companies face when using the public internet for payments related traffic.

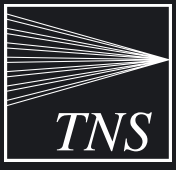
We consider the challenges of managing compliance, focusing on the ability of stored card payment solutions and hosted payment web pages to help secure merchants from data breaches and cyber attacks.

Kent Kling, TNS' VP of Global Security tells us his thoughts on the critical requirement for security while Transact explains why TNS is committing to X.25 network services, even though the shutdown of Telco supplied X.25 networks gathers pace throughout the European market.

If you have any comments about any of the issues raised in this edition of Transact or require any further information about TNS and the solutions we provide please email [newsletter@tnsi.com](mailto:newsletter@tnsi.com).



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# Report Shows IP Payments Under Attack

The last 12 months have proved to be a challenging time for any payments organization trying to keep up with the latest IP security issues. The Arbor Networks Worldwide Infrastructure Security Report recently highlighted the ever increasing extent of denial of service attacks, which have included peak rate attacks rising to an astounding 49Gbps.

While attacks of that size are rare, the report's findings show that a shocking 72 percent of respondents suffered at least one such incident affecting customers per month. Those surveyed also reported more than 20,000 attacks larger than 1Gbps – one every 26 minutes. Several also noted application level attacks causing multi-hour outages of prominent internet services.

The industry has also seen a series of successful attacks against previously secure protocols used in the payments world. GSM and GPRS networks have had their over-the-air encryption protocols cracked, making them vulnerable to eavesdroppers.

SSL encryption is also being targeted with new Strip and renegotiation assaults, the latter requiring prompt action from SSL Gateway service providers. SSL has also seen problems with null-prefix vulnerability requiring client software vendors to quickly create a patch in 2009.

If you would like more information on IP payments security, please visit [www.transactwithTNS.com](http://www.transactwithTNS.com) or email [solutions@tnsi.com](mailto:solutions@tnsi.com)

Dave Gibson, European Product Marketing Director at TNS, said: "Our own experience shows too many payment providers are moving services onto the public internet, thinking everything will be all right. With the payments industry migrating mission critical services to IP, participants need to be acutely aware of the security and availability challenges in providing the 24x7x365 service merchants had come to expect from their previous legacy infrastructure environment.

"The Arbor Networks report, coupled with recent protocol attacks, shows just how prevalent service disruptions and threats to payment security can be. These developments underline the importance of payment processors seeking expert help in their transition to IP."

At TNS, our Secure SSL Gateway provides thorough protection from existing and emerging security threats. The TNS Secure SSL Gateway solution is a highly secure and PCI DSS certified gateway for IP transactions, developed specifically for the requirements of the payment industry. The fully managed service offers high availability and redundant access points, with 24x7x365 support provided by payment industry experts. It offers security beyond standard SSL protection to include DDoS detection and mitigation, mutual authentication and access control.

With businesses already burdened by a struggling economy, reducing PCI compliance management expenditure can be one way to cut costs. But, does saving money in this way come with reduced functionality and added risk of a data breach?

Brad Templeton, Product Marketing Director of TNS Asia Pacific, offers insight on how businesses processing card-not-present or recurring transactions can save substantially on compliance costs, improve card data security, and reduce administration headaches by working with managed service providers such as TNS.



# Managing Compliance

PCI certified, securely managed environment. The hosted payment webpage looks and feels like the merchant website but all credit card information is entered into a webpage securely hosted within the PCI certified network. The card data never appears in the merchant environment, so this again simplifies the compliance process."

"Two ways that businesses can reduce PCI compliance costs are using stored card tokenization and hosted payment solutions," said Templeton. "Both help businesses save money while actually improving customer security."

For businesses with recurring billing needs, such as telcos, utilities, insurance companies, or gyms, for example, stored card tokenization offers merchants the ability to remove credit card information from their own systems. Instead of storing actual credit card information, card data is replaced with a unique secure token. The actual credit card number is securely stored within the managed providers PCI certified environment and the merchant instead uses the token to process a payment.

Both these solutions greatly minimize the risk of a card data breach and substantially reduce the scope and, therefore, cost of any PCI compliance program for the merchant. This also reduces operational and capital expenditure costs associated with managing the merchants PCI environment, such as administrative overheads and infrastructure, as card data can be effectively removed from the merchant premise.

*Using stored card tokenization and hosted payment solutions helps businesses save money while actually improving customer security*

Templeton continues: "For merchants with e-commerce websites, another way to minimize the scope of a PCI compliance audit is by using payment web pages hosted externally. Instead of hosting the final transaction page on your website, your final transaction page is hosted within a

For more information on how TNS can help with stored card tokenization and hosted payment solutions, please contact [solutions@tnsi.com](mailto:solutions@tnsi.com)



Read a full version of these  
press releases at:  
[www.transactwithTNS.com](http://www.transactwithTNS.com)

# MasterCard Renews Multi-Year Agreement With TNS

TNS has renewed its agreement with MasterCard to provide payment server software for MasterCard's ecommerce platform, the MasterCard Internet Gateway Service (MiGS). MiGS provides an outsourced payment gateway service for MasterCard's bank acquirers and merchant customers.

The MiGS platform provides card-not-present transactions for online activities, including eCommerce and purchases via mobiles and telephones. It is used worldwide by more than 70 bank acquirers and over 17,000 merchants. This renewed agreement cements the relationship between the TNS Payment Division and MasterCard which began in 2007.



## Arsenal FC Improves Payment Services With TNS

UK Premier League football giant Arsenal Football Club is strengthening its payment capabilities after choosing TNS for its enhanced network connectivity. The football club will use TNS' managed services to process payments transactions for the hospitality business, enabling the processing of transactions for tickets, refreshments and merchandise. All transactions will be routed through TNS' PCI DSS certified backbone network which provides a robust solution for transmitting payments to acquirers and processors.

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## Calypso Canada Attains MasterCard EMV Approval

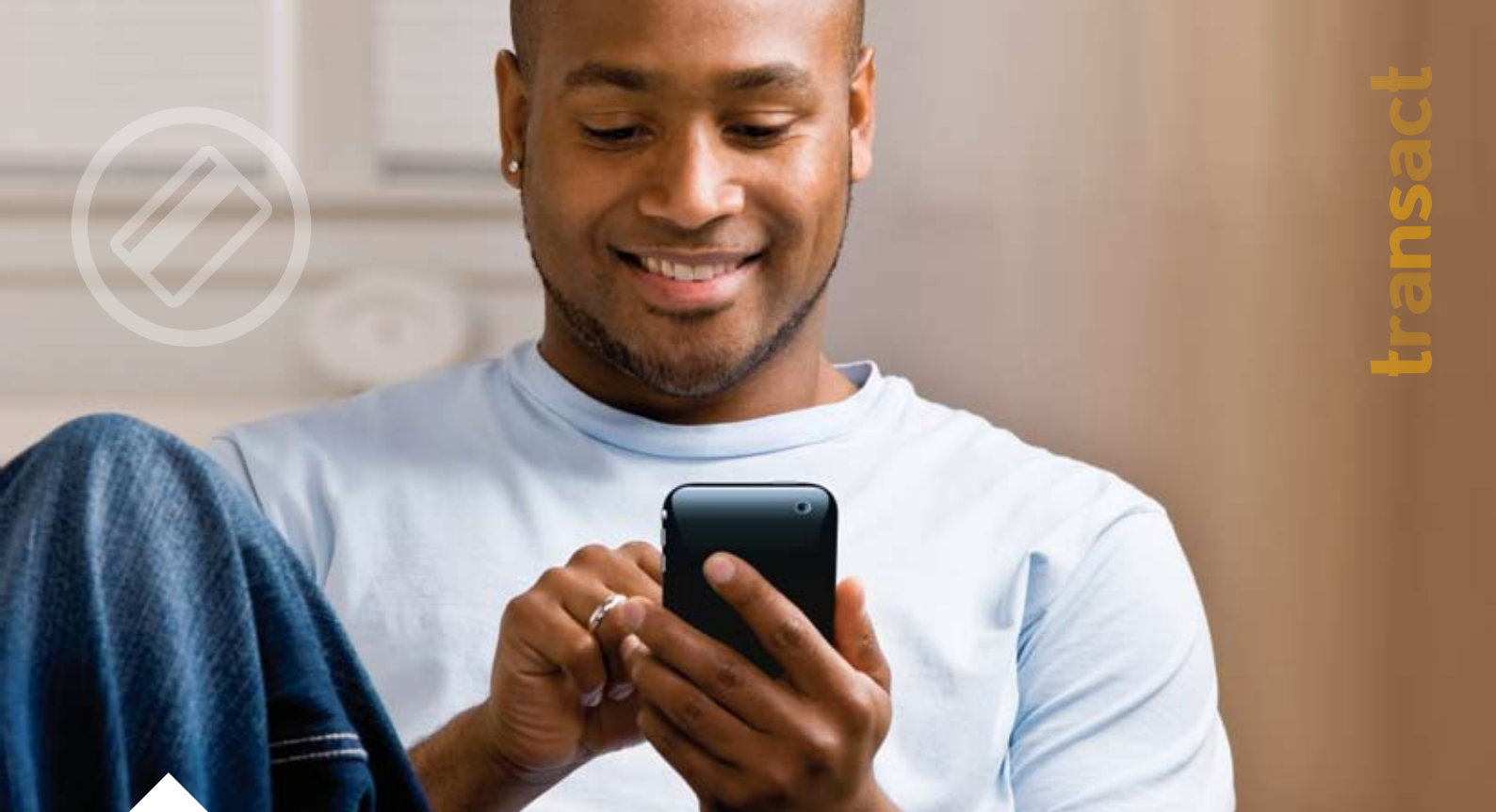
Calypso Canada, a Transaction Network Services company, has become one of the first automatic banking machine (ABM) processors in the country to receive EMV approval from MasterCard, cementing its position at the forefront of Canada's drive to switch to secure EMV and Chip-certified technology.

With less than 12 months until the deadline set by the Interac Association passes, owners, operators and deployers of ABM estates across Canada are now furiously making plans to ensure they can meet the mandate of having at least 50 percent of non-deposit-taking ABMs upgraded by the end of the year.

## Calypso Canada Expands Payment Scheme Coverage

Calypso is pleased to announce its platform certification to process ABM transactions for some of the leading international payment issuers, including Discover®, China UnionPay, Diners® and Pulse® via the INTERAC® network.

The addition of these payment schemes to the Calypso processing platform provides greater revenue opportunities to Calypso supported ISOs and banks and, more importantly, greater convenience to their customers.



## Smartphone Payment Solutions

TNS is partnering with Blue Bamboo to enable ISOs, acquirers and processors across North America to offer their customers the ability to accept credit and debit payments through smartphone devices. Organizations connected to TNS' Synapse wireless payment gateway will be able to extend their acquiring opportunities to a new segment of merchants who are interested in using smartphone devices to accept card payments from their customers.

## Fairfax Selects TNS

Australia's leading print and online media company, Fairfax Media, has selected TNS to provide ecommerce payment solutions for its online subsidiary, Fairfax Digital, Australia's premier network of online news, information and classified websites. As part of the solution, Fairfax Digital has access to the TNS ePayment Gateway, with card-not-present transactions managed within TNS' PCI DSS certified processing environment.

## TNS First For IKEA Dublin

Global home furnishing Franchise Company IKEA has selected TNS to provide secure and reliable connectivity services for its first store in Ireland – IKEA Dublin. TNS' Managed Connectivity Solutions will provide IKEA Dublin with secure, fully managed and resilient connectivity, enabling the processing of all its debit and credit card transactions.

## TNS Commits To X.25 As Shutdown Gathers Pace

France Telecom has become the latest national carrier to set a date for shutdown of their X.25 network services, joining a growing list of Telcos seeking to force merchants and payment providers onto IP services. Similarly in 2009, Australia's national carrier Telstra announced its intention to shutdown its X.25 network services.

Although unimportant to the national carriers, X.25 is still used for a substantial amount of payment transactions and remains a critical protocol for many merchants, banks and processors.

TNS has been at the forefront of IP in payments for nearly 10 years, with a string of IP 'firsts' against our name, but we also recognize how important X.25 is to our customers in the payments industry. TNS will continue to welcome and support customers that want to use X.25, assisting them in their migration to IP at a time and pace that meets their business and financial needs.

For further information on TNS' X.25 services, please visit [www.transactwithTNS.com](http://www.transactwithTNS.com) or email [solutions@tnsi.com](mailto:solutions@tnsi.com)

Read a full version of these press releases at: [www.transactwithTNS.com](http://www.transactwithTNS.com)

# Spotlight on Security



Kent Kling

Kent Kling, TNS' VP of Global IT Security gives an insight into the importance of security policies for organizations within the payments industry.

## What challenges do organizations face in the battle to combat security breaches?

There are growing concerns about the increased level of fraud within the payments industry and unfortunately attacks do occur. Sophisticated criminals, particularly through the proliferation of data breaches, hacking into networks and identity theft, create a great deal of damage. It is imperative for merchants and retailers to deploy the highest level of security.

Every organization should have a security policy, which once implemented, will help demonstrate their commitment to protecting their vital assets. This security policy should include PCI DSS requirements and help with obtaining PCI DSS certification for the organization, where appropriate. Acquirers should work closely with their suppliers and Qualified Security Assessors (QSA), as well as their merchants and retailers to ensure they have the necessary procedures in place.

## What advice can you provide to help businesses with their security policies and procedures?

My main recommendation for organizations is to reference the ISO/IEC 27001 and ISO/IEC 27002 standards. These standards define an information security management system and the necessary controls for minimizing organizational risk. Policies and practices developed while using the guidance outlined in ISO/IEC 27001 and 27002 help ensure that security risks are effectively managed, which is vital for any business within the payments industry.

At TNS, our security team is constantly seeking new ways to improve the way we protect TNS and our customers, both physically and technologically.



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## Contact Us

TNS provides services to clients in over 40 countries and has offices in 16 countries around the world. To contact your local office please visit [www.transactwithTNS.com](http://www.transactwithTNS.com) or contact one of our regional head offices:

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Do you have a suggestion for an article?

Submit your ideas for the next issue of **transact** to [newsletter@tnsi.com](mailto:newsletter@tnsi.com)



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