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Rolling out PIN Card Services at Canada Post

Innovapost recently helped Canada Post implement a simple and secure transaction system for credit card PIN management that is improving the customer experience and driving innovation.

Project Highlights

Customer

Canada Post

Challenge

Implement a proprietary, secure and simple PIN management solution at more than 6,000 retail post offices

Project Duration

16 months (conception to deployment)

The latest advancement in payment technology is the "chip" credit card – a card that requires you to enter a personal identification number (PIN) when performing a transaction. This system depends upon the consumer's ability to remember the PIN and/or change the number if the original bank-issued PIN is forgotten or too difficult to remember.

Customers who have poor initial experiences with new chip cards – such as forgetting the PIN and abandoning the transaction – are bad news for banks, which are interested in minimizing abandoned transactions and cards.

A positive PIN management experience is especially important to "Schedule B" banks, which do not have a physical location at which a customer can change his or her PIN. Lacking a bricks-and-mortar location for customers to visit, these financial institutions (such as American Express or Home Trust) require an outsourced solution for PIN management and have turned to Canada Post for help.

Leveraging the Canada Post Network

"PIN numbers are encoded on the chip card itself, so the PIN change process cannot be completed over the phone or online," explains Dominique Sutherland, Product Strategy, Emerging Services, Transaction Mail at Canada Post. "The card has to be inserted into an EMV device that can overwrite the existing PIN on the card. Finding a location where this is possible is not always easy or convenient for cardholders."

To head off potential PIN management problems, Advanced Card Technologies (ACT) Canada – a stakeholder association for the advancement of card technologies – brought together representatives from Canada Post and five Schedule B banks in August, 2008.

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PIN Management Highlights

Current use

6,000 Canada Post retail outlets

Benefit

- Credit card users from select banks can now easily reset their PIN numbers at any Canada Post retail location
- Canada Post is driving new revenue from financial institutions interested in leveraging the service
- The existing infrastructure can be broadened to offer PIN management services for debit and smart cards in the future

“Banks were already working with Canada Post to deliver PIN mailers and ensure proof of identity when a new CHIP card was picked up at a postal outlet,” says Sutherland. “They were now interested in leveraging our trusted brand and large network of retail outlets to offer PIN management services on their behalf.”

To do so, Canada Post would require a seamless transaction solution that would be secure and simple for both customers and retail staff alike. Sutherland and her team turned to Innovapost, Canada Post’s IT Services partner, for ideas and implementation assistance.

Activating Chip and PIN Payment Technology

“Before we could deliver the new PIN services, we had to activate chip and PIN payment technology at our retail outlets,” Sutherland recalls. “To do this, we needed to become compliant with international EMV (Europay, Mastercard and VISA) standards.”

To achieve compliance, Innovapost helped Canada Post upgrade its payment software, re-certify debit/credit functionality with Canada Post’s acquirer, TD Merchant Services, and remotely deploy this upgrade to about 6,000 locations.

“This was the largest EMV deployment in Canada at the time, so there were many challenges,” says Sutherland. “We had to ensure that all PIN machines could provide instructions and receipts in both French and English, and we needed to make a number of important network changes. Innovapost helped us with all of the upgrades and then acted as our IT integrator for the implementation of the PIN management project.”

“The rollout was challenging because we were working on payment devices that needed to be functional during business hours – we couldn’t shut down a retail outlet in order to upgrade its system,” says Sutherland. “Innovapost & TDMS worked with us to convert stores during the night. We converted about two to three hundred stores each night and enlisted two help desk staff members to coordinate the communication between the retail stores and TDMS.”

Bringing PIN Management to Canada Post

With Chip and PIN hardware in place, Innovapost began work to expand Canada Post's software to support the new PIN services. The first step was to design and develop a secure solution that was fully Payment Card Industry (PCI) compliant and in accordance with all applicable ISO standards.

Canada Post and TD Merchant Services also needed to build networks and infrastructure to connect to the retail locations with card issuer data processors across the Canada–U.S. border. "We had to establish new connections to these data centers and transfer sensitive and secure information – such as the exchange of master keys – onto our PIN Gateway hosts, which is in Toronto," says Sutherland. "PIN Management Services is a custom solution that is bypassing the existing payment networks. We needed new, direct connections to each card issuing processor.

Innovapost and Canada Post worked closely together to ensure that the technical changes and rollouts were made as smoothly as possible. We worked as a team and not simply as a client and service provider," recalls Sutherland. "We set shared objectives and success criteria. Innovapost shared in the overall weighting of this service including customer satisfaction and the simplicity and efficiency of the clerk execution of the service. It was an excellent working relationship from the start."

National Rollout

The first successful PIN change implementation took place with Home Trust, a financial service provider headquartered in Toronto. Beginning with a controlled deployment at 50 Canada Post sites, the rollout was expanded to 200 additional outlets in October, 2010.

Just one month later, Innovapost and Canada Post expanded the service to manage PINs from three participating banks at 6,000 Canada Post locations across Canada. Customers of ATB Financial,

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Sharon Fisk, Director of Business Innovation and Support at ATB Financial

Home Trust and American Express can now manage their PINs in person at almost any retail branch and receive personal confirmation from retail clerks that the process was successful.

"That human touch is something that a bank machine can't provide," notes Sutherland. "We're also helping the card issuers to reduce their help desk calls because customers get direct, in-person confirmation that everything has worked."

Delivering Results

Canada Post says that the new service has dramatically simplified the PIN management process for participating banks and their customers. Thanks to Canada Post's large network, banks can now point customers to a friendly, accessible location for PIN management. (80 per cent of Canadians are within two kilometers of a Canada Post retail outlet, and Canada Post has more retail locations in Canada than Tim Hortons, McDonald's and Esso combined.)

Sharon Fisk, Director of Business Innovation and Support at ATB Financial, says the new service is working beautifully for her company's customers. "Canada Post is a trusted Canadian brand, and everyone knows where they can find a Canada Post location, which makes it very convenient," says Fisk. "The service is very easy to use and takes seconds to complete."

The service has also enabled ATB to provide national coverage even though the company's ABM network is focused exclusively on Alberta. "It's great for our customers who live out of province or are travelling, and it gives them another option within Alberta."

Innovating at Canada Post

The project has also greatly benefited Canada Post. "We've gained a lot of credibility with Canadian banks and have positioned ourselves as an innovator," notes Sutherland. "In fact, we're now asked to speak at payment conferences as subject matter experts. We've really raised some eyebrows in the Canadian banking industry."

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Moreover, Canada Post is now positioned to offer additional PIN management services for technologies other than credit cards. “We’re currently investigating PIN management services for debit chip cards,” says Sutherland. “In the future, we could broaden the service to include other smartcards that require PIN numbers, such as government-issued health cards or driver’s licenses.”

The chip card service also brings in new revenue. While the service is free to card holders, the card issuer pays a fee for each transaction. Canada Post also anticipates that it will receive additional foot traffic to its retail locations from card holders looking to change a PIN in person.

A Team Effort

Sutherland has high praise for her team and for Innovapost. “We couldn’t have done this without Innovapost,” she notes. “They helped us take the project from the idea stage through to implementation. Innovapost was involved with all of the documentation, business requirements and approvals, and was instrumental in getting the idea hammered out and initiated. They truly supported us from beginning to end and we look forward to working with them again as we further expand our PIN Card Service offerings.”

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