



Compromised Card Procedure

Staff Manual

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What is a Compromised card?

When an unauthorised party (persons) have gained access to a Member's card "details" - such as card number (PAN), expiry date of card, PIN and name without the cardholders permission.

Compromised card

Due to the emergence of new and sophisticated technology, cardholder details can be captured by devices through a number of different channels:

- > ATM
- > Eftpos
- > Merchant data centres
- > Internet
- > Data Base breach

These devices are capable of downloading and storing electronic cardholder details which are on the magnetic stripe located on the back of each card. Card details are then re-issued on new plastic cards; this is called a "counterfeit card".

Once the counterfeit card has been re-issued, criminals will then withdraw funds from Member accounts without their permission. Sophisticated crime syndicates then use the information to perpetrate further fraudulent transactions.

Please note, cards remain the property of the Qudos Bank and can be cancelled at any time with or without notice to our cardholders. The notice is included in the PDS which is issued to Members at the time of account opening.

The preferred approach is to ensure we minimise any impact to our cardholders by contacting them by phone or via SMS text message. It is also good customer service to inform our cardholders of the situation as soon as practical.

Qudos Bank will only cancel the card if Member funds are at "RISK". This is determined by the intelligence and reports received from Police and ORION, our card fraud monitors.

Why are we doing it

When we are notified of a compromise card, we will assess the risk to the cardholder to determine the next steps. If the risk is medium to high we will contact the cardholder to advise them of the compromise.



As a courtesy we will attempt to contact the Member or send a SMS to advise them the card has been compromised and it will be cancelled (listed as stolen). In addition to this, compromised card notifications can create some anxiety and unease for Members which may prompt additional questions such as:

Why has this occurred?

Where has this occurred?

Are my funds safe at Qudos Bank?

Have I suffered a financial loss?

What happens next?

To reduce the impact to our cardholders:

Card Dispute Team:

- > will send a text message with a brief message to cardholders to explain what has happened and why;
- > may call the cardholder directly, this allows staff the opportunity to explain suitable alternatives to accessing funds before the card is cancelled;
- > will cancel through First Data Card Management (FDI)
- > will reorder the card
- > add notes in Prosper

Branch Staff & Contact Center

From time to time we may seek additional support from the other departments to assist with call outs or in preparation for incoming calls.

Branch Staff & Contact Center may call the cardholder directly, this allows staff the opportunity to explain suitable alternatives to accessing funds before the card is cancelled;

- > will cancel through First Data Card Management (FDI)
- > will reorder the card
- > add notes in Prosper

Additional Support

If additional assistance is required we will contact the Branch and Contact Centre Manager in advance. We will provide you with:

- > A list of identified cardholders at risk. The list has usually been provided by the Visa, Police or ORION;
- > A spreadsheet with the list of affected cardholder RIMS and names will be provided
- > An brief explanation on “why and where” the compromise has occurred

Pre-call work

It’s important you conduct a quick preliminary check on the Member’s account prior to contacting them, such as:

- > Does the Member have access to another card, or /online /telephone banking.
- > What is the Balance of the account/s.
- > Be prepared to offer solutions so the Member can access their funds i.e.: what is the closest branch, online transfers, the ability to withdraw cash within 1 hr from closest ATM, NPP.
- > is the Member overseas, what else can you do, do they have another card elsewhere, do they have multi-currency card that can be reloaded
- > If unsure, please see your supervisor for further direction

Introductions – Call handling techniques

We have provided some simple generic scripting to help you with the calls.

Who	<ul style="list-style-type: none"> • Hi I am <i>John Smith</i> calling from Qudos Bank , how are you today? • ID the caller using QB outbound ID procedures
Why	<ul style="list-style-type: none"> • We have been notified by our card fraud monitoring team that your card has been compromised, which means an unknown third party has your card details. • A brief explanation about the compromise (if known) • Explain if there has been a financial loss due to fraud /unauthorised withdrawals • Next steps to lodge a claim
Next Steps	<ul style="list-style-type: none"> • We will need to cancel your card as a precautionary measure • We will order a replacement card for you, which will arrive in the mail within 7 working days? • Provide member options to access their funds ... • Capture any notes in Prosper

Overcoming Objections

<p>I'm on the Do Not Call Register, Why are you calling me?</p>	<ul style="list-style-type: none"> • Because you have a relationship with the Qudos Bank, we are able to make these types of calls about your account as it involves a security breach that you need to know about? • If “That’s Okay” continue with the conversation.
<p>I do not have another card, how can I access my funds?</p>	<ul style="list-style-type: none"> • Allow the Member some time to withdraw funds before the cards is stopped • Offer for the Member to come into branch • Transfer to another Financial Institution – <ul style="list-style-type: none"> ○ we can do this via EFT, we require written authorisation to do so with bank details, BSB, account number, and how much • Transfer funds via Bpay • Explore other solutions that may suit the Member
<p>Please cancel my card now. I don't want you to wait?</p>	<p>Cancel the card for the Member and email frauds@quodosbank.com.au with an update.</p>
<p>This has happened to me before, why me?</p>	<ul style="list-style-type: none"> • Unfortunately it can happen at anytime with little warning. Criminals use this as an opportunity to prey on innocent victims. • We apologise for the inconvenience but rest assured the decision to cancel your card has not been taken lightly. If we don't cancel your card, the criminals can withdraw funds from your account. <ul style="list-style-type: none"> ○ Talk to the Member and see what else we can do for them
<p>I am travelling overseas or I am overseas I need my card?</p>	<p>Explain to the Member why we cannot keep the card active?</p> <ul style="list-style-type: none"> • Find solutions to have the card delivered overseas or expedite card order <ul style="list-style-type: none"> ○ call a family Member here in Australia for them if they are overseas ○ obtain an address overseas if the card is required to be forwarded, place a follow up in Prosper to check in with the Member in a few days to ensure everything is OK ○ Move the funds over to another account eg from Sav 0 to Sav 1 to reduce the available funds in the account ○ Ensure the Member has access to Internet or Phone banking to transfer funds if required ○ Due to time differences advise the Member to transfer funds just before withdrawing at an ATM eg within ½ hr no longer! ○ Keep balances to a minimum. Make it clear to the Member that we will not be reasonable for any loss of funds if the card is not

	<ul style="list-style-type: none"> ○ cancelled – escalate this to your Supervisor immediately for further action
I need urgent cash I am overseas, how can I do this?	<ul style="list-style-type: none"> ● Advise the Member to call Visa International in the country they are in and request a cash advance or card, each cost is: <ul style="list-style-type: none"> ○ \$175.00USD for each service (expensive) ○ The Qudos Bank will not waive the charge by Visa ○ Organise an International Telegraphic transfer (at a cost) ○ Arrange for a funds transfer to a friends or family Members account if travelling together
What happens if I lose money?	<ul style="list-style-type: none"> ● You will be covered for any losses providing you have not contributed in anyway ● We offer 100% fraud back money guarantee
What about my direct debits on my Visa card?	<ul style="list-style-type: none"> ● You will have a different card number and expiry date please ensure the merchant is notified of the new card number as soon as possible (e.g. gym memberships, utility bills, insurance etc).
I have an unauthorised transaction	<ul style="list-style-type: none"> ● Ask the member to lodge a card dispute form ● Email the forms to disputedtransactions@qudosbank.com.au