

# Contact

Business-building ideas for TD Merchant Services customers

## Gearing up for a brisk holiday season

**L**ast December was a banner month for retailers. According to Statistics Canada, total Canadian retail sales hit a record \$31.4 billion in December 2005 – up by 7.1% from the previous December.

And consumer spending remained strong into early 2006, partly because of the increasing popularity of gift cards, which carried holiday sales into January and February.

Although the 2006 season may not hit those highs, merchants can still look forward to a busy holiday period, believes TD Economics, thanks to the robust financial health of Canadian consumers.

### More spending power

Merchants would no doubt be pleased if this year ended the way it began. According to TD Economics, consumers started off 2006 with a bang. Personal expenditures advanced 4.6% in the first quarter, and retail sales rose 2.4%



on a seasonally adjusted basis, for the strongest quarterly gain in almost five years. These gains came as consumers benefited from wage and salary growth resulting from a shortage of qualified workers and an unemployment rate that hit a 30-year low.

These conditions are expected to continue to the end of the year. With the domestic economy on solid footing, TD Economics expects personal disposable income to rise by 5.1% in 2006.

And more spending money in customers' pockets should mean brisk holiday sales for merchants.

### Moderate growth ahead

That said, however, TD Economics believes that the stage is set for more moderate growth as Canada and the rest of the world begin to feel the impact of a weakening U.S. economy. Retail sales volumes are expected to scale back

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## Gearing up for a brisk holiday season

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from 3.9% in 2005 to 3.0% in 2006 as higher borrowing costs and the slowing in household wealth dampen consumer spending.

Moreover, the Canadian housing market will continue to cool in most parts

of Canada. The exceptions are red-hot Alberta and B.C., which bodes well for businesses in these areas as the demand for such big-ticket purchases as appliances, furniture and electronics should increase over the holidays.

And the Canadian dollar? It's expected to finish the year at about 85 cents U.S., which will keep imported goods relatively inexpensive for those merchants who import merchandise from south of the border.

### Supporting you this season

As your business prepares for the holiday rush, TD Merchant Services continues our efforts to support you. Here are some of the steps we're taking again this year to ensure that you receive smooth, interruption-free support for your business during this hectic time:

- To support your expected higher volume, we're making the technical adjustments necessary to ensure our payment-processing system is running at peak efficiency.
- To help ensure continuous monitoring and service for your business, we're preparing suitable work schedules and increasing staff.
- To resolve incidents as quickly and efficiently as possible, we are continuously streamlining problem-management processes.
- As well, all non-essential hardware or network upgrades or application program changes are being scheduled during non-peak periods (before mid-November or after mid-January) to help us focus resources on essential support and services for you and your business. ■

## Chip information update

As we reported in our last issue, chip-enabled cards and terminals are being introduced in the retail and financial services industries across Canada, and around the world. This technology will help enhance the security of electronic POS debit and credit card transactions and help provide faster, more efficient service at the checkout.



### Magnetic stripe stays

According to Visa Canada, 146 million Visa\* chip cards have been issued worldwide, which increases the likelihood that some of your customers will want to pay using a chip card. Rest assured that your current payment-processing solution can process chip card transactions.

For some time to come, every chip card will also have a magnetic stripe. To process a chip card or magnetic-stripe card transaction, simply follow the prompts on your POS terminal.

### Reassuring customers

Customers using a chip card may be aware of the increased security that these cards offer and may ask you about the security of your payment-processing system. Advise these customers that Canada's payment industry participants (Visa Canada, MasterCard Canada and the Interac Association, along with financial institutions and other associations) are working to gradually introduce chip technology to the Canadian market over the next several years. Until that effort is completed, magnetic-stripe transactions will continue to be processed according to the security rules developed by the various card associations.

For more information on chip, or for any information on our products and services, visit [www.tdcanadatrust.com/merchantservices](http://www.tdcanadatrust.com/merchantservices) – the updated and expanded TD Merchant Services website.

## Economy watch

For more information, analysis and insight on Canada's economy, and other economic news, visit

[www.td.com/economics](http://www.td.com/economics)

# Ask the experts

**H**ere are answers to some quick-fix questions and concerns frequently fielded by the TD Merchant Services Help Desk (1-800-363-1163).

## How do I reset the date and time on my terminal?

If you're using a dial-up connection, make sure the line is available (not already in use by a phone or fax), then follow these steps from the TD terminal screen (for the indicated POS terminal):

### Freedom III

1. Touch the screen to get to the main menu
2. Press the down arrow on the right
3. Press the "Date & Time" button
4. Select "Reset" and the system will automatically update the date and time

### Freedom IV and V

1. Press the "F" key
2. Scroll to "Admin Function"
3. Press the green "OK" key
4. Scroll to "Date/Time Reset"
5. Press the green "OK" key, which resets the date and time

### Freedom Lite

1. Press the "OK" key
2. Press the "F4" key
3. Press the "A3" key
4. Press the "A1" key

## What should I do when my terminal indicates "line not available"?

First, check that the phone line is plugged in at both the terminal end and to the phone jack. Then, ensure your terminal is properly connected by checking the phone line for a dial tone.

## Why is my receipt paper coming out blank?

Thermal paper prints only on one side, so it might be loaded improperly.

Remove the roll of paper and reload with the other side facing down. The top (printing) side of the paper should be slightly glossy or shiny and, if scratched, it will produce black marks.

## Why is my terminal display blank?

The power source might have been disconnected. Ensure the terminal is plugged into a live power outlet and check that the connection is secure from both the wall outlet and at the terminal end. ■



## 'White label' terminals

**White label (or private label) terminals are provided to merchants by third-party companies rather than government-regulated Canadian banks. Here are some things to keep in mind if you're considering a white label terminal:**

**Reliability.** Merchants are usually required to buy or lease white label machines instead of renting them, so they are responsible for updating the technology or servicing them if anything goes wrong. Take into account the cost of a service agreement, and the time required for repairs to be made.

**Total costs.** Make sure all costs and fees are outlined up front before you purchase a terminal, so there are no surprises down the line.

Amardeep Baidman experienced several such surprises when he bought two white label terminals for his Burlington, Ontario, drycleaning business in 2002, before moving his business to TD Merchant Services last September.

Once he'd purchased the white label terminals, Baidman began to be billed for transaction fees he hadn't been informed about, along with other unexpected charges. He'd initially thought that owning POS machines, rather than renting, would save him money over the long term, but the reverse turned out to be true. "I was paying them more than what I'm paying now [with TD Merchant Services]," he says.

**Support.** Before choosing any POS terminal, find out what type of support is available. At TD Merchant Services, for example, the toll-free Help Desk is accessible 24 hours a day, 7 days a week. We also provide same-day on-site service (if the call is received before 4:00 p.m. on weekdays and 2:00 p.m. on weekends) in most major centres (except on Christmas Day and New Year's Day).

This support is one of the reasons Baidman wishes he'd signed on with TD Merchant Services sooner. "With TD Merchant Services, they respond straightaway, and when I read my statement, it's clear, not confusing, nothing concealed, nothing hidden," he explains. "I also have my bank account with TD Canada Trust, since I opened my business 4½ years ago, and I'm very happy – no problems."

# Holiday fraud-busting

**T**he hectic holiday season is also a busy time for fraudsters, according to Murray Walker, Senior Fraud Investigator, Corporate Security, for TD Merchant Services. However, being aware of the most common types of fraud can help you safeguard your business during this busy season.

## Dubious returns

One type of fraud Walker sees “on a consistent basis” is non-existent returns being processed through merchants’ POS terminals.

“Inside employees are redirecting funds out of the merchant’s account into their own bank account and/or credit cards in the form of so-called credits,” explains Walker. “Most employers don’t realize it until, unfortunately, it’s too late, and you get into the thousands of dollars.”

To help prevent this type of fraud, Walker suggests that merchants pay close attention to their accounts in general, and returns in particular. Other safeguards include installing password protection on POS terminals, requiring a manager’s approval on all returns, or recording the customer’s contact information and signature on mandatory return forms (along with periodic verification calls to customers).

Walker also recommends doing security and reference checks on all new employees, cleaners or other on-site workers — even seasonal help.



Returns can also be faked on the customer end. “Last year we had a case where a guy brought in a television,” recalls Walker, and when the customer was asked to open the box, “it was an old piece of junk — he just repackaged it.”

It’s important to scrutinize all returns, advises Walker: “You have to watch sometimes what’s in the box or what’s not in the box.”

## Card security

When business is bustling in December, debit and credit card fraud can be a particular concern, says Walker. He recommends carefully reviewing credit card processing procedures and card security features with staff before the holiday rush.

Along with checking standard symbols and marks, also remember to check each card’s Bank Identification Number. These four small printed digits should appear

above or below the account number and match the first four digits of that number. “With counterfeit cards, they have a hard time putting in that little security feature,” he says.

He also suggests keeping a close eye on unusual customer behaviour. For example, “You really have to pay attention to what we call ‘power shopping’ — ringing up a lot of bills,” he says. “It’s not uncommon at Christmas time to have a marked increase in sales, but when you start seeing the same people over and over again in lines, it may raise a red flag,” he says. Especially if a customer purchases multiples of the same high-priced item, “such as three or four TVs,” says Walker.

For more tips to assist you in protecting your business from fraud, visit [www.tdcanadatrust.com/merchantservices](http://www.tdcanadatrust.com/merchantservices) or refer to your “Credit and Debit Card Fraud Prevention” brochure. ■

## Need paper?

The following companies are preferred suppliers of paper for TD Merchant Services point-of-sale terminals. To ensure you are dealing with a reputable dealer, give one of them a call when you need paper.

- Main-Tech Industries, 1-800-268-5120
- Maxwell Media Products, 1-800-561-6406

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