

Card Account Lifecycle Management (CALM)

Higher approval rates, enhanced security, and improved customer experience

VGS Card Account Lifecycle Management (CALM) is a new service that provides the most complete card account updating service for your card-on-file data available in the industry. With VGS CALM, you will have the highest coverage of payment cards under management as card status changes happen. CALM is comprised of three services:

1. Network Tokens from Visa and Mastercard
2. Account Updater services from Visa Account Updater and Mastercard Account Billing Updater
3. Proprietary logic to enhance the fidelity update coverage not covered by either Network Tokens or Account Updater services from the Card Networks

Network Tokenization

Network Tokens (NT) is a service where the card network replaces the 16 digit PAN with a unique 16 digit identifier called a token. The NT allows the payment to be processed without exposing the sensitive card information. Unlike tokens provisioned by other payment service providers (PSPs) which can only be processed by the provisioning PSP and have to be translated by the PSP back to a 16 digit PAN prior to passing it to the card network, NTs are interoperable between PSPs and are recognized by the card network and card issuers as well.

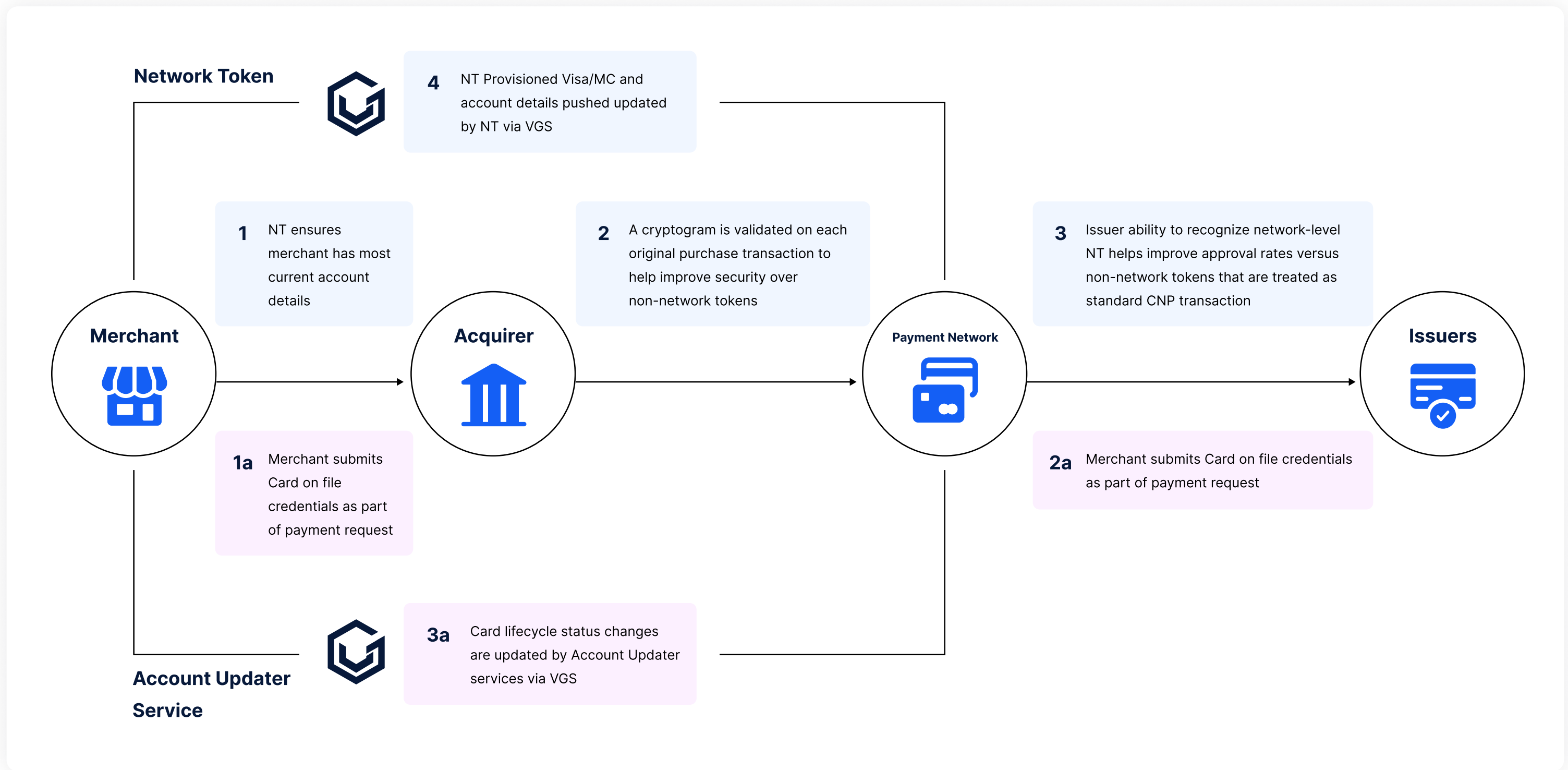
As an added benefit, NTs are updated in near real time whenever there is a change in the underlying card account. For example, if the underlying card account has been replaced due to expiration or lost/stolen reasons, the underlying account associated with the NT gets updated in the background. There is nothing the merchant needs to do, it's just a seamless uninterrupted experience.

Account Updater Service

Since not all card issuers have enrolled into the Network Token Service from the Card Networks due to availability or other reasons, VGS offers an Account Updater service to ensure that merchants and payment facilitators have a comprehensive solution to ensure that their card-on-file accounts avoid becoming stale. So for all cards on file, VGS clients can have the cards that have not been tokenized be updated whenever there is an event updating the card status. These events can be cards that have been replaced, suspended, or closed. These events will help merchants understand which cardholders need to have a “Please Update Your Payment Information” communication.

VGS Card Updater

Unfortunately, there is a segment of card accounts where card issuers are unable to enroll in either Network Token Service or Account Updater Service. Not to worry, VGS has developed a proprietary service where merchants can still update stale card-on-file accounts that are not enrolled in either Network Tokens or Account Updater Service. With VGS Card Updater, merchants can now widen the pool of customers where the card information is still fresh.



With VGS' CALM service, you will be able to update the largest pool of card accounts available in the marketplace. As a result of CALM, you will be able to see a reduction in false positive declines due to outdated card information. With the reduction in false positives over the course of time, you will see a natural increase in revenue of 1% to 3%+.

With many subscription-based merchants, stale card information can be a real customer attrition problem for them. It is in the best interest of any merchant, especially subscription-based merchants, to avoid the need to ask their customers to update the payment information. According to Charge Back Gurus, “many customers seem to regard a declined subscription payment as a sign from the universe that it's time to let that subscription lapse, anyway—the success rate for updating a card after its first decline is about 5%.” For example, Americans who pay for their monthly gym membership subscription without actually going to the gym, so once there is a declined transaction due to stale card information, many members just end up attritting. According to a Mastercard case study, Netflix was able to reduce customer attribution by 30% with an account updater service.

Seamless Experience	Better Approval Rates	Simplify Operations
Credential-on-file payments are not disrupted even when cards are updated or expire	NT provide issuers with additional visibility for fraud scoring to potentially increase approval rates	A cryptogram is validated on each original purchase transaction to further limit impact of data breach vs other solutions
Both PANs and NT are updated in the background by the issuer and Payment Networks	ABU Helps reduce preventable declines by updating stored card data, increase funds collections and revenue	Directly manage tokens provided by Payment Networks without storing the PAN or relying on a third party to store it for you
Reduce attrition caused by false declines stemming from outdated or expired cards.		

VGS CALM for merchants builds on the benefits of Network Tokens and Account Updating Services by providing a seamless and secure consumer experience.

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