

MasterPass Q&A

1. Why did MasterCard develop MasterPass?

Consumers are embracing a digital lifestyle and, to meet this shift, the shopping and payment experiences needed to evolve. MasterPass is our response to this and to our cardholders around the world that want a more simplified and secure shopping experience.

MasterCard is not in the wallet business, we're in the business of helping our partners – issuers and merchants alike – enrich their offerings so they can deliver a richer, deeper, customized end user experience. As a company, we're making investments to drive this convergence and push the technology forward.

2. Will competing card brands be accepted on MasterPass?

Yes, MasterPass is an open platform. This means that in addition to MasterCard cards, consumers can use other branded credit, debit and prepaid cards. However, we plan to build additional special features and functionality that work better with MasterCard cards.

3. When did you launch MasterPass?

We announced the launch of MasterPass at Mobile World Congress in February of 2013.

4. What progress have you made with MasterPass?

Since the announcement of MasterPass at the Mobile World Congress in February 2013, we've launched in 10 markets: Australia, Canada, China, Italy, Poland, New Zealand, Singapore, South Africa the U.S. and U.K.

MasterPass is now accepted at more than 40,000 merchants globally. They know merchandising, marketing and loyalty efforts only pay off when shoppers convert to buyers. Building online revenues means attracting the right consumers and reducing checkout friction. MasterPass has proven that it provides the security, speed and ease to help consumers complete their transactions.

We have helped leading online merchants – including [NewEgg](#), [Rakuten/Buy.com](#) and [FTD](#) – deliver a better shopping experience.

5. What challenges in the marketplace does MasterPass solve?

MasterCard was developed to solve the following challenges:

- Shopping From Your Mobile Device: MasterPass provides a safe, simple and optimized way to speed up the checkout process without requiring consumers to enter their financial and shipping information at every new merchant site.
- Managing Wallet Options: MasterPass enables merchants to integrate one button to access a world of wallets that exist today or may be developed in the future.
- Enabling Wallet Development: MasterPass allows our partners to avoid creating a wallet from scratch. Using MasterPass also avoids having to build an acceptance network for each wallet solution.

6. What is the value proposition to merchants for MasterPass acceptance?

There is a great value proposition for merchants to accept MasterPass. First and foremost, MasterPass provides merchants with a faster, easier way to check out their customers. Additionally, it provides a way to increase sales without significantly changing the way merchants currently process payments.

Some other examples of how MasterPass can add value to merchants include:

- *Fostering customer loyalty*—MasterCard’s vision of loyalty for MasterPass is to incorporate more functionality into the wallet. MasterCard understands that loyalty is critical for merchants. As an open wallet, MasterPass will accept loyalty cards so customers can continue to earn points with every use.
- *Simplifying the consumer shopping experience* – MasterPass is an open wallet, meaning consumers can use any card, regardless of brand, with the secure service. Also, MasterPass lets customers check out with just a click, tap or a touch of a button – giving customers an easier way to pay and a more seamless end-to-end experience. Finally, as a MasterCard product, customers can count on secure transactions with MasterPass.
- *Increasing transactions* - When using MasterPass, customers are less likely to “abandon their carts” while shopping online because they can check out with just a few short clicks. Oftentimes customers shy away from having to enter extensive billing and shipping information – MasterPass eliminates that time waster.

7. What must Merchants do to accept MasterPass?

To offer MasterPass as a checkout option, merchants must meet the following requirements:

- Merchant must accept MasterCard-branded payment cards
- Merchant must enable online purchases via the web, a .mobi site, and/or a mobile app
- Merchant must adhere to the [MasterPass Merchant Terms and Conditions](#)

For more information about how to sign up for merchant acceptance of MasterPass, visit: <https://masterpass.com/SP/Merchant/Home>.

8. Why would an issuer select to use MasterPass over a similar competitive product?

In today’s world, every device is becoming a shopping device. MasterCard understands that issuers want to meet the needs of their customers with digital wallets. Additionally, they know that customers are always looking for more flexible ways to pay and MasterPass fills that customer need.

There are many benefits to using MasterPass for issuers. For example:

- For prospective wallet issuers with large consumer bases, MasterPass provides a suite of wallet services that range from a turnkey white label solution to a robust API that can be embedded into other applications. In the MasterPass system, wallet issuers have their own branded wallets that extend and enhance their own trusted consumer relationships.
- MasterPass follows the pass through model; meaning MasterPass is not the merchant of record. This provides an easier transaction process for all parties – including the customer and the merchant.
- Working with MasterCard provides access to MasterCard cardholders globally.

9. What must Financial Institutions (FIs) do to support MasterPass?

MasterPass provides issuers with a turnkey solution to either launch a wallet with their own branding or connect their own wallet into our MasterPass network. Ultimately it's about choice.

We know that FIs like the MasterPass model better than competitive offerings for a number of reasons:

- It allows them to offer their own branded wallet to their customers and leverage the benefits of MasterPass acceptance across a variety of payment platforms (i.e., online or on the go)
- It's an extension of their existing brand and enhances their trusted position with their customers.
- Fundamentally the payment model works better and we've been getting great feedback.
- It's intuitive for FIs and merchants to implement our API and get connected.

10. Are consumers at risk of fraud when paying with MasterPass?

Consumer MasterPass accounts are protected by multiple layers of security, including a CVC check, address verification and text messages to a user's mobile phone whenever a change is made to the account. In addition, users can add an optional enhanced security feature of a one-time use security code delivered by text message at each purchase.

11. How does MasterPass prevent fraud?

MasterPass has a strong authentication process when registering for a digital wallet within the MasterPass Acceptance Network. This is to prevent anyone but the cardholder from registering for one of these digital wallets. In addition, when transactions happen, fraud scoring takes place as this is now an industry standard. MasterCard works with bank partners' Fraud Prevention programs as well.

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