

# The MasterCard Automatic Billing Updater

## Keeping Card-on-File Data Current

By automatically maintaining the accuracy of customer account data, the MasterCard® Automatic Billing Updater prevents disruptions due to account changes. It extends the life of online and offline automatic payment arrangements by helping to secure these ongoing, revenue-generating relationships, all while helping to lock in revenue, reducing processing costs, maintaining service continuity, and strengthening cardholder satisfaction.

### How issuers benefit

- Prevents payments conversion to check or other card
- Reduces customer service demand
- Fosters positive cardholder bill payment experience
- Increases customer loyalty

Once cardholders assign automatic payment arrangements to their MasterCard cards, they simply expect them to work. One of the main reasons many cardholders switch payment methods is that their merchant contacts them due to routine expiration date or account number changes.

The MasterCard Automatic Billing Updater helps maintain service continuity and lock in revenue streams, which means greater customer satisfaction and loyalty, lower customer service demand, and improved operating efficiencies. In addition, the Automatic Billing Updater enables issuing banks to protect their position.

### How acquirers benefit

- Helps increase revenue opportunities
- Improves product line for merchant support
- Helps decrease service costs

The Automatic Billing Updater is a value-added service acquirers can offer their merchants that have Card-on-File billing arrangements. Acquirers can offer this valuable service to attract and maintain merchant business by helping merchants improve their processing

and operating efficiencies while reducing decline rates.

### How merchants benefit

- Helps decrease operating and processing costs
- Improves funds collection
- Increases customer satisfaction
- Prevention of exception processing

Every billing period, merchants with automatic payment arrangements face the challenge of card payments that bounce back due to account changes. Bouncebacks compromise revenue flow and are inconvenient to customers. They also increase a merchant's direct and indirect expense by forcing merchants to contact customers for either updated account information or alternate payment arrangements.

The MasterCard Automatic Billing Updater helps ensure an uninterrupted payment for merchants and uninterrupted service for customers by seamlessly updating Card-on-File account information. It can maintain and build customer satisfaction, making it less likely for customers to switch to another merchant.

### How cardholders benefit

- Does not interrupt bill payment
- Eliminates late fees and service disruption
- Provides greater convenience

Cardholders typically set up automatic payments using their MasterCard cards for two reasons: to make payments easier, and to make payments on time without having to do anything. When Card-on-File is discontinued because of an account change, the cardholder may be unaware until the service stops—and that disruption is usually perceived by the cardholder as a sign of poor customer care.

The MasterCard Automatic Billing Updater is a systemic solution that helps maintain automatic payment transaction volume and boosts customer satisfaction while reducing customer service demand.

The MasterCard Automatic Billing Updater supports a broad range of account changes

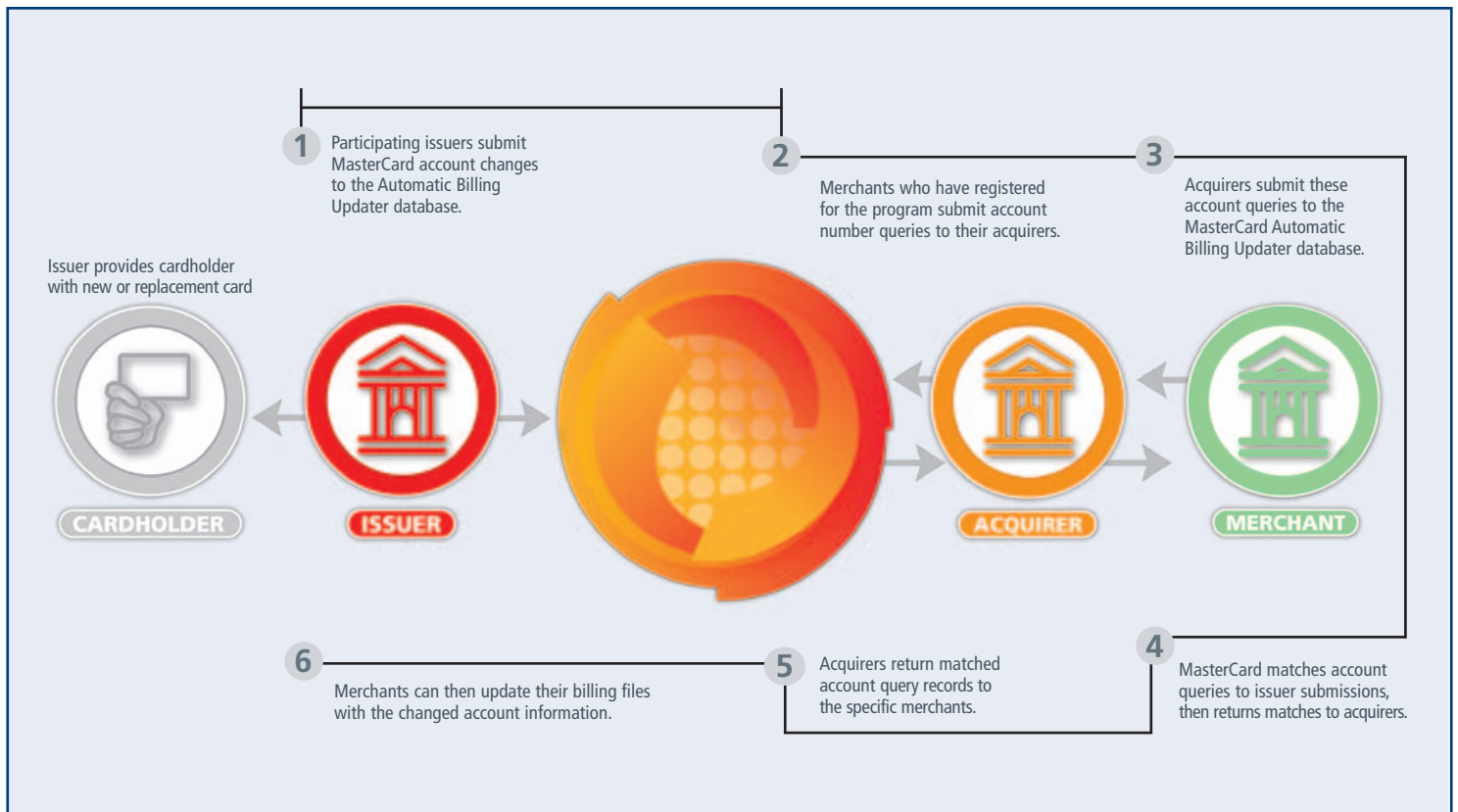
- Brand flips
- Portfolio sales
- Expiration date changes
- Card upgrades
- Reissued cards due to fraud or new programs
- Lost/stolen cards
- Closed account status

## Six easy steps

1. Participating issuers submit their account changes to the Automatic Billing Updater database.
2. Registered merchants submit their billing files inquiries to their acquirer.
3. Acquirers submit the billing file inquiries to the Automatic Billing Updater database.
4. MasterCard processes the merchant account inquiries against issuer account change submissions, and then returns results to the acquirers.
5. Acquirers return updated account inquiries records to their specific merchants.
6. Merchants update their billing files with the changed account information, and have more successful billing.

The MasterCard Automatic Billing Updater offers flexibility, security, and processing options that take advantage of state-of-the-art MasterCard transmission technologies and ensure proper data distribution.

## How the MasterCard Automatic Billing Updater works



For more information, please contact your MasterCard representative today.