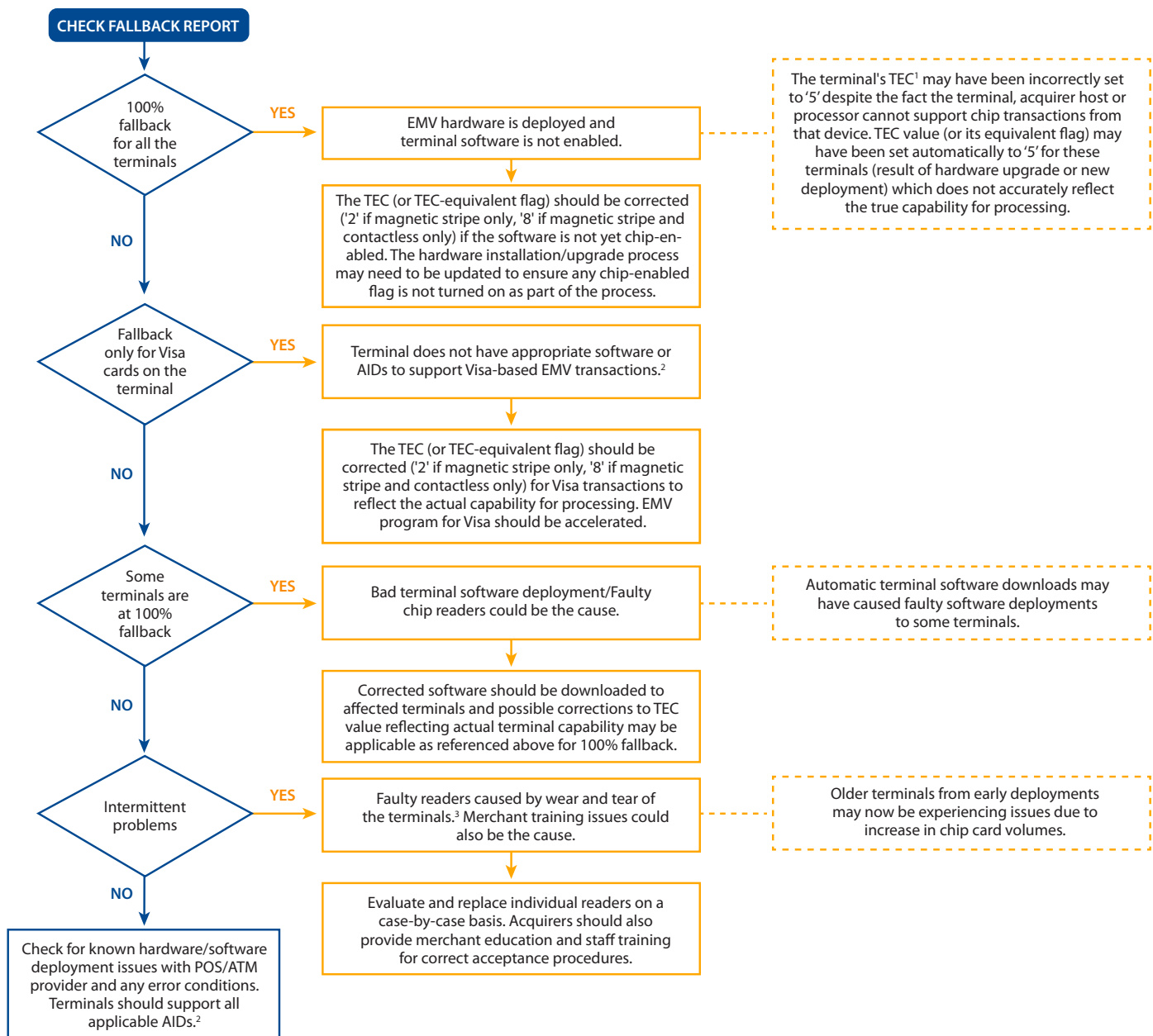# Managing Fallback Transactions

VISA

Fallback transactions are those initiated in the card-present environment involving contact chip cards at chip-capable terminals, however chip technology is not used to capture the card data. There are number of reasons for fallback ranging from data quality issues to faulty devices. It is essential that monitoring procedures are followed to ensure fallback levels are kept to a minimum. The following flowchart outlines the major causes of fallback and the suggested recommendations to minimize fallback. The best way to minimize fallback is to analyze and monitor fallback reporting as well as check for potential issues based on trends from reporting.

CHECK FALLBACK REPORT

100% fallback for all the terminals — **YES** →

EMV hardware is deployed and terminal software is not enabled.

↓

The TEC (or TEC-equivalent flag) should be corrected ('2' if magnetic stripe only, '8' if magnetic stripe and contactless only) if the software is not yet chip-enabled. The hardware installation/upgrade process may need to be updated to ensure any chip-enabled flag is not turned on as part of the process.

The terminal's TEC[1] may have been incorrectly set to '5' despite the fact the terminal, acquirer host or processor cannot support chip transactions from that device. TEC value (or its equivalent flag) may have been set automatically to '5' for these terminals (result of hardware upgrade or new deployment) which does not accurately reflect the true capability for processing.

NO ↓

Fallback only for Visa cards on the terminal — **YES** →

Terminal does not have appropriate software or AIDs to support Visa-based EMV transactions.[2]

↓

The TEC (or TEC-equivalent flag) should be corrected ('2' if magnetic stripe only, '8' if magnetic stripe and contactless only) for Visa transactions to reflect the actual capability for processing. EMV program for Visa should be accelerated.

NO ↓

Some terminals are at 100% fallback — **YES** →

Bad terminal software deployment/Faulty chip readers could be the cause.

↓

Corrected software should be downloaded to affected terminals and possible corrections to TEC value reflecting actual terminal capability may be applicable as referenced above for 100% fallback.

Automatic terminal software downloads may have caused faulty software deployments to some terminals.

NO ↓

Intermittent problems — **YES** →

Faulty readers caused by wear and tear of the terminals.[3] Merchant training issues could also be the cause.

↓

Evaluate and replace individual readers on a case-by-case basis. Acquirers should also provide merchant education and staff training for correct acceptance procedures.

Older terminals from early deployments may now be experiencing issues due to increase in chip card volumes.

NO ↓

Check for known hardware/software deployment issues with POS/ATM provider and any error conditions. Terminals should support all applicable AIDs.[2]

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[1]   TEC (Terminal Entry Capability) is a one-digit value that identifies a terminal's ability to electronically read account data from Visa cards or mobile devices. Value of 2 indicates the terminal can read only magnetic-stripe cards, 5 indicates the terminal can read contact chip cards and possible contactless chip form factors/mobile device or magnetic-stripe cards.

[2]   Terminals must support the applicable AIDs to minimize fallback transactions. All POS terminals must support Visa AID and Visa Electron AID; ATM terminals must support Visa AID, Visa Electron AID and Plus AID. To support Interlink acceptance, terminals must have the Interlink AID; and support for US Common Debit AID is optional.

[3]   In some cases for ATMs, the chip reader might be inaccessible to the card due to damaged clamps, caused by wear and tear (clamps are used to hold the card). This could lead to fallback at these locations.