Elevating In-Branch Issuance

Enhancing manual card linking and transitioning
to true instant card issuance

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INTRODUCTION

The ability to instantly place an activated financial card in the hands of a customer, whether when opening a new account or in emergency card replacement situations, is a critical step in driving card activation rates and incremental revenue, enhancing the customer experience, and boosting the overall success of a financial card program. As more financial institutions deploy this powerful technology, studies offer definitive proof of these impacts. A Javelin report showed that instant issuance can raise debit card activation rates to nearly 100%, effectively addressing the nearly 40% of debit cards that are never activated at the average financial institution.[1] Additionally, cardholders are 22% more likely to be very to extremely satisfied with their bank overall if they received an instantly issued card instead of a centrally issued card. Instant issuance customers are also more likely to believe their bank is innovative (64% vs. 48%), is a great finance partner (57% vs. 45%), and communicates effectively (65% vs. 53%).

Statistics like these are getting the attention of more and more financial institutions, leading them to consider how instant issuance could help their card programs. This includes comparing the benefits of a fully integrated instant issuance solution with the common practice of manual card linking used by many financial institutions.

Manual card linking, also known as vault cards or "card-in-drawer," is often deployed as a seemingly simple solution for issuing new and temporary replacement payment cards in-branch. While manual card linking does achieve the most basic goal of putting an activated card in a customer's hands immediately, the process and outcome presents numerous shortcomings and fails to make the most of this valuable customer-facing opportunity. For financial institutions looking to fully capitalize on the opportunity of in-branch customer engagements, a comprehensive financial instant issuance solution can deliver significant efficiency improvements and cost savings over manual card linking. Integrated instant card issuance can also be extended to fulfill other personalization requirements banks may have over time. These may include the need to personalize other card types in branch or to enhance personalization requirements including a custom card image chosen by the customer. These provide an outstanding customer experience that can quickly translate into improved card program performance.

[1]Javelin, "Instant-Issuance Payment Cards: Fulfilling Consumer Expectations for Immediacy," October 2015

Manual card linking workflow

Manual card linking is used by financial institutions as a solution for card replacement and new account opening situations. Instead of waiting for a centrally issued credit or debit card to arrive by mail in the standard seven to 10 days, the customer immediately receives a new, ready-to-use card in the branch. Below is a brief overview of the manual card linking/vault card issuance process:

1 A batch of vault cards is delivered to a branch location. The cards arrive pre-personalized except for the cardholder name as these cards are not yet associated with an individual customer.

2 When a customer visits the branch to request a replacement card or to open a new account, the banker issues a new vault card to the customer. Vault cards may be issued with no additional personalization – with simply the PAN and expiry date – or the branch may use a direct-to-card thermal card printer to personalize the vault card with the customer's name.

3 When the card needs to be printed, the banker will need to retrieve the customer's name from the core banking system and add them to the card printing software to trigger the printing process.

1   **2**   **3**

Potential shortcomings of manual card linking

Manual card linking is initially attractive to many financial institutions because it promises a more cost-effective alternative to instant issuance by utilizing 100% non-personalized card stock. However, in practice, manual card linking presents several strategic shortcomings:

Lack of compliance

Most manual card linking issuance software was designed primarily to print data onto the card. These solutions were not designed with security in mind and would have trouble complying with banking requirements like PCI DSS and other payment scheme requirements. Common compliance gaps include:

Card issuance printer hardware	Card issuance software
• Lacks encrypted communication • Lacks dual-control software-based locks • Non-secure storage of cardholder data	• Lacks card stock management functions • Lacks dual-control for required issuance and inventory management functions • Lacks encrypted two-way communication to the printer or with the card management, core, or EFT system • Non-secure storage of cardholder data • Lacks PCI-compliant PIN pads • Lacks proper audit reporting functionality

Unsatisfying customer experience

While customers may be delighted to receive new or replacement cards immediately in-branch, experiences over the life of these cards fall short of expectations. If there is no name printed on the card, all vault cards are the same (except for PAN), so the financial institution loses the opportunity to make a strong brand first impression with unique card personalization features. While vault cards can feature embossing or indenting for added security and durability, if the card is personalized using flat name printing in branch, this can lead to a disjointed card look and damaged brand image. Card use is also sub-par, as vault cards often have limited capabilities, including the inability to make card-not-present (CNP) transactions.

In cases where vault cards are temporary, the arrival of the permanent, personalized card in the mail can lead to confusion for the customer. Furthermore, these mailed cards are often lost and never activated, causing the bank to incur additional cost to resend the card and impact their KPIs related to cost and card activation rates.

Inefficient issuance process

Manual card linking often requires branch bankers to manually update different banking systems to ensure that the card is linked correctly to the bank account. This process requires the banker to toggle between different applications to edit and check the information. In some cases, there may be a need to notify their supervisor to approve the changes in these systems. The resulting process is time-consuming and prone to human errors.

Potential for waste and unnecessary cost

Because vault cards arrive at the branch with pre-printed expiry dates, the card stock may no longer be valid due to card expiration, a change of design and branding, the chip technology becoming obsolete, and change of card product, which can result in complex costs to manage – especially when the branch is issuing more than one card type.

Enhancing manual card linking with integrated instant issuance solution

Financial institutions looking to shore up the security gaps and shortcomings of a basic manual card linking process are increasingly leveraging instant issuance software to drive several enhancements to their manual card linking programs:

- **Simplify manual card linking management:** Instant issuance software supports the manual card linking issuance model, while enhancing efficiency by supporting the linking process through full integration, batch file processes, or by allowing manual linking, depending on the customer's budget and card management or core capabilities. If necessary, the software can also integrate to the EFT platform to activate the vault card.

- **Meet compliance regulations:** Instant issuance software brings manual card linking operations into compliance with current PCI DSS security requirements. When used with compliant instant issuance card printers, the combined solution meets all Visa® and Mastercard® instant issuance guidelines.

- **Easily transition to non-personalized card stock:** When banks are ready to take in-branch issuance to the next level, instant issuance software enables a simple transition to 100% non-personalized card stock. This approach allows banks to issue fully personalized, ready-to-use credit and debit cards in the branch.

- **Simplify card migration:** When there's a change to the card product, whether from mag stripe to EMV chip cards, from one payment scheme to another, or a change in the cardholder verification methods (CVMs), instant issuance software enables the personalization of payment cards at the time of in-branch issuance, and simplifies the complexity of a card migration, from card stock management, to long lead times, to unique products offering a variety of POS transaction capabilities.

- **Central and distributed issuance:** Instant issuance software provides a single, simplified platform for managing both central and distributed issuance workflows across the entire card ecosystem.

Beyond manual card linking: Elevating card program performance with true instant issuance

Top-of-wallet placement has shown to increase activation and usage rates by up to 15 percent.

While instant issuance software provides financial institutions with a flexible solution for enhancing manual card linking issuance operations, the biggest opportunity lies in moving beyond this provisional solution and embracing a full instant issuance solution.

Instant issuance software enables a financial institution to gradually transition from a manual card linking model to in-branch issuance of fully personalized cards from 100% non-personalized stock. With this true instant issuance solution in place, financial institutions can reduce cost, enhance branch marketing through promoting a new solution, and increase operational efficiency by utilizing the simplified workflow (featuring automatic interfacing with the card management, core, or EFT system). This can also help eliminate card stock waste associated with the manual card linking model. Customers receive instantly issued cards featuring customized photos and high-quality designs – and they enjoy the full security and transactional capabilities of a fully personalized card. This enhanced customer experience not only drives customer loyalty and top-of-wallet placement, but has also been shown to increase activation and usage rates by up to 15%, driving card program performance and increasing revenue for the financial institution.

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