Primary Account Number Truncation on Cardholder Statements

Introduction

The Primary Account Number (PAN) is a number embossed and/or encoded on payment cards and tokens that identifies the card issuer and the funding account and is used for transaction routing. Under the assumption that a PAN is necessary to facilitate payment processing and customer communications, it is common practice for some card issuers to print the full PAN on each page of a cardholder's billing statement. However, the appearance of the PAN on billing statements has led to cases where the customer's name, address and account number have been stolen through various means including mail theft, friend/family misuse and unintended disclosure during garbage or refuse disposal.

PAN Truncation Best Practice

Visa understands that the printing of the full PAN on a billing statement is used for account identification, bill payment processing, and bill inquiry and dispute resolutions. Most Visa billing statements contain the cardholder's name, billing address, and detailed transaction information as well as the PAN, making these statements valuable targets for criminals. Theft of billing statements allows criminals to conduct card-not-present fraud and potentially execute account takeover, cardholder impersonation or identity theft. These situations can also attract significant press coverage and can cause anxiety among cardholders regarding the security of the payment system.

In recognizing this issue, several noted security publications (e.g., *Javelin Strategy and Research: 2009 Identity Fraud Survey Report*) have recommended eliminating paper statements in favor of electronic statements. Visa is in agreement with this idea, but acknowledges it may be beyond the scope of what many issuers globally can do in the immediate future and understands that a large percentage of cardholders may be unwilling to change to full electronic billing at this time. However, with the current state of the global economy, account information thefts are expected to grow. To counter both the threat and the concerns raised in connection with payment security, the simple but significant act of limiting the value of paper statements mailed to cardholders can help.

Therefore, Visa is proposing that PAN truncation (along with the PCI DSS) be applied consistently as a best practice on cardholder statements. Under this *recommendation*, only the last four digits of the PAN would be printed on a cardholder billing statement or communication. This proposal is intended to drive greater security against card data theft and the negative impacts it creates. It also serves as an important component of Visa's strategy to more directly include issuers in the prevention of cardholder data compromises.

Conclusion

It is common practice for some card issuers to print the full PAN on each page of a cardholder's billing statement; however, Visa strongly recommends that, as a "best practice," issuers truncate or eliminate the printing of the cardholder PAN on billing statements and other cardholder communications.

Visa is committed to protecting consumers and the payment system by eliminating the unnecessary collection and use of card data, including PANs. This cautionary practice has previously led to the development of Visa regulations requiring PANs to be masked when printed or displayed during transactions unless there is a legitimate business need. This requirement is mirrored in various laws and regulations enacted globally and is consistent with the payment data protection objectives defined within the Payment Card Industry Data Security Standard (PCI DSS). While these current rules do not directly address cardholder statements, they do create an expectation for a general standard of care regarding the PAN.