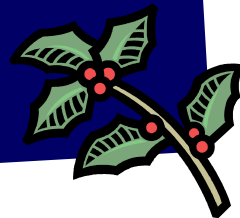




# 3X Software News



**Winter 2006**

**3X Software is the UK's leading provider of Credit/Debit/Purchasing card payment and address management software for the iSeries**

## Welcome to our Winter Newsletter

What an interesting year it has been. Chip and Pin has rolled out across the industry and from what we can gather it has been very successful. Well, mainly for the those selling in a customer present environment. By all accounts it seems that fraud has now moved to Customer Not Present (CNP) transactions. If this is something you have experienced then read our article below to find out how you can reduce the risk to your business.

All of us at 3X Software would like to take this opportunity to wish you all a very merry Christmas and a prosperous new year.



## Reducing Customer Not Present (CNP) Fraud!

Whilst reports from APACS show that Plastic card fraud losses are on the decrease with the introduction of Chip and PIN, fraud from customer not present (CNP) increased by 21% in 2005. This figure is expected to continue to rise as fraud becomes more difficult to undertake in the face-to-face environment as a result of initiatives like Chip and PIN. Nevertheless, the rate of increase is smaller for the first time since 2003, and will improve further with an increasing number of retailers utilising initiatives such as AVS/CSC.

Customer not present fraud usually involves the theft of genuine card details which are then used over the Internet, by phone or mail order. The legitimate cardholder doesn't usually find out until they check their statements.

### What can you do to reduce this— Implement our EFT/400 AVS/CSC module?

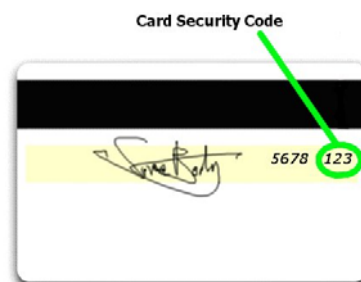
Introduce CSC and AVS checking. CSC (Card Security Code) and AVS (Address Verification Service) uses the 3 digit code on the back of debit/credit card and numerics from the cardholders address. These are passed to the acquiring bank and are cross checked against the details held by the bank. The result of the checks are passed back letting you know whether the house name/number has been matched, partially matched or not matched and likewise whether the postcode is matched, partially matched or not matched. You can then make the decision whether to accept the transaction based on this additional information.

#### Other benefits:

- It can also be used to cross check that the delivery address is the cardholders home address.
- The number is difficult for fraudsters to reproduce.
- It is also difficult to steal, because merchants are not permitted to store the number on their systems.

It has been suggested that the introduction of this simple check can reduce Internet fraud by up to 70%.

**For a fully integrated AVS and CSC module for EFT/400 contact us for information.**



**For your credit/debit and purchasing card payment solution or address management software native to the iSeries contact 3X Software.**



## New for 2007—iSeries Encryption

In cryptography, encryption is the process of obscuring information to make it unreadable without special knowledge. While encryption has been used to protect communications for centuries, only organisations and individuals with an extraordinary need for secrecy had made use of it. In the mid-1970s, with the ever-increasing processing capabilities of computers, strong encryption emerged from the sole preserve of secretive government agencies into the public domain, and is now employed in protecting widely-used systems, such as Internet e-commerce, mobile telephone networks and bank automatic teller machines.

We appreciate how important it is that you secure your customers' card details to protect them from fraudulent activity. We are planning to release our encryption module by the end of the first quarter 2007. If you currently use our EFT/400 Credit, Debit and Purchasing card solution you will already be aware that your payments are already being handled by the most secure and reliable server, the iSeries. However, this prevents access without a password, so we perceive a need to restrict internal access to data.

We are already in development with this new module for EFT/400. The module will restrict full visibility of both card and address details to those who need access.

## 3X Strengthens relationship with IBM

### IBM Express Advantage

Our Credit and Debit Card Payments system, EFT/400 has now been accredited with IBM's Express Advantage certification.

Solutions with the certification have been developed and priced by IBM Business Partners for mid-sized businesses including one or more offering(s) from the IBM Express Advantage portfolio.

The Built on IBM Express Advantage trademark indicates that the solution has been successfully implemented within a mid-market environment.



### Value Net Service Provision (VNSP)

3X Software is pleased to announce that our working relationship with IBM has been further recognised and IBM have awarded 3X with a Value Net Service Provision (VNSP) accreditation.

This accreditation means that 3X Software is now able to supply IBM iSeries hardware, upgrades, software and hardware maintenance direct to our customers at competitive prices when taken with one of our Value Added Enhancements (VAE). These include Credit/Debit Card Payments (EFT/400), Postcode and Address Management (PAF/400) plus our bespoke software and maintenance services. Our remarketer in this new side to our business is Frontline Consultancy and Business Services, based in Handforth, Cheshire.



**For information on any of these new developments, please call us**



**Manchester Office:**  
 379 Chorley Road  
 Swinton,  
 Manchester  
 M27 9UQ  
**Tel: 0161 793 4674**  
**Fax: 0161 794 2551**

**North Wales Office:**  
 Oak House  
 Groes Lwyd  
 Abergele  
 Conwy, LL22 7SU  
**Tel: 01745 828495**  
**e-mail: sales@3xsw.co.uk**



IBM ISV Advanced Member