



May 30, 2018

Submitted via e-mail to: consumerlaw@treasury.gov.au

Subject: Visa Response on Gift Card Expiry Dates

Visa is grateful for the opportunity to follow up on our recent discussion with Treasury on gift card expiry dates.

Visa wishes to address several points related to the potential implementation of national gift card reforms for consideration:

1. Current Visa rules state that an issuer must ensure that the expiration date embossed on a card and encoded on the magnetic stripe and chip does not exceed five years from the date of issuance. Expiration dates are a crucial element of the transaction and personalisation of the card, ensuring validation and ongoing compliance to the evolving security standards of the network. We encourage issuers to determine appropriate expiration dates and provisions that affect possible forfeiture or escheatment of balance in light of applicable laws.
2. Once embossing and personalisation of a prepaid card occurs, it is not possible to adjust the expiry date on the card. Thus, the only option in this instance would be for the issuing bank to destroy its gift card stock if required to comply with a new minimum expiry date. Further, if an issuer were to change back-end host systems, the transaction authorisation may be declined.
3. For an e-commerce transaction, the expiry date has a direct relationship to the CVV2 code, and as such would be declined if it were different to the personalisation. In this regard, it is also important to note that Visa encourages Mail Order Telephone Order (MOTO) merchants to ask customers for the card expiry date for its inclusion in the authorisation request and to help verify that the card and transaction are legitimate. A MOTO order containing an invalid or missing expiration date can be an indicator to the merchant that the cardholder does not have the card.
4. Visa recommends a transitional period that allows prepaid providers to utilise existing gift card stock that has an expiry period of less than 36 months. Visa proposes that during the transition period:
 - a. All new gift cards must be embossed with an expiry date to meet the new requirements and minimum expiry period; and
 - b. All existing gift cards (i.e., gift cards already embossed and in circulation in the market) can continue to be sold despite not meeting the new minimum expiry period.

We would be happy to discuss any of the points included in this letter in further detail.

Yours Sincerely,

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