
FRAUD PREVENTION POLICY FOR MERCHANTS

TABLE OF CONTENTS

FRAUD PREVENTION POLICY FOR MERCHANTS	1
1. INTRODUCTION	3
2. POLICY STATEMENT	3
3. FRAUD PREVENTION POLICY COMPONENTS	4
4. IDENTIFY KEY PLAYERS AND THEIR RESPONSIBILITIES	5
5. WHEN TO REPORT FRAUD	6
6. HOW TO REPORT FRAUD	6
6.1. Acknowledgement of Your Report	7
6.2. Immediate Actions	7
6.3. Investigation Process	7
6.4. Communication and Resolution	7
7. RECOVERY OF FINANCIAL LOSSES	8
8. PROMOTING AN ANTI-FRAUD CULTURE	8
9. REVISION HISTORY	8

1. INTRODUCTION

As a global payment service provider, we prioritise the protection of our customers, merchants, and business from fraud worldwide. This policy explains our promise to prevent, find, and address any fraudulent activities, including merchants who offer fake services and goods to scam consumers.

In this policy, the terms "you" and "your" refer to the merchant using Peach Payments' services.

2. POLICY STATEMENT

We are committed to reducing fraud, and establishing a strong fraud risk management plan.

This Fraud Prevention Policy is a key component of our risk management strategy and is shared with all our merchants to raise awareness and foster a secure environment.

At Peach we make sure we do everything we can to manage fraud risks, with a focus on:

- **Understanding Fraud Risks:** Identifying and understanding fraud risks that could weaken our business goals is crucial. This involves regular risk assessments and staying informed about potential threats.
- **Assessing Program Effectiveness:** Assess the effectiveness of our fraud prevention programs and controls ensures they are adequately reducing risks. Regular reviews and updates are part of this process.
- **Designing and Evaluating Controls:** Putting controls in place and checking that they work to prevent, detect, and respond to fraud and corruption. This includes implementing robust internal controls and monitoring mechanisms.
- **Reducing Exposure to Liability:** Reducing the chances of being sued or fined. This involves adhering to all regulatory and card scheme requirements and maintaining high ethical standards.
- **Developing a Sustainable Process:** Creating a sustainable process for managing fraud risks. This includes continuous improvement of our fraud prevention measures and promoting an anti-fraud culture.

3. FRAUD PREVENTION POLICY COMPONENTS

3.1. Define Fraud

Fraud: Fraud involves deception intended to cause financial or personal gain. This includes activities such as identity theft, phishing scams, fraudulent chargebacks, account takeover, refund fraud, transaction laundering and other acts of dishonesty intended to deceive others.

3.2. Developed in Consultation with Key Stakeholders

The Fraud Prevention Policy is created with input from all relevant parties to ensure comprehensive coverage and effectiveness. By involving key stakeholders, such as legal counsel, compliance and risk teams, we ensure that the policy is well-rounded and addresses the concerns and insights from various perspectives within the organisation.

3.3. Reviewed Annually to Reflect Current Views on Fraud and Corruption

To stay current with evolving risks and regulatory requirements, our policy is reviewed at least once a year. This regular review process ensures that our stance on fraud and corruption remains up-to-date and effective in addressing new challenges.

3.4. Explain Our Approach to Managing Fraud Risks

Our policy clearly states our fraud risk management philosophy and its alignment with our objectives in preventing fraud. This explanation helps everyone in the organisation work together and understand how managing fraud risks is important for reaching our business goals.

At Peach, we use the following to identify and reduce fraud:

- Fraud Detection Methods
- Multi-Factor Authentication
- Tokenization and Encryption
- Regular Security Audits and Penetration Testing
- Strong KYB (Know Your Business) Onboarding with document verification
- Transaction Limits and Velocity Checks

3.5. Include a Statement Committing to an Effective Fraud Risk Management System

We include a formal statement in the policy committing Peach Payments to implementing and maintaining an effective, efficient, and transparent fraud risk management system. This commitment emphasises the importance we place on safeguarding our operations against fraud. We also commit to continuously improve and adapt our fraud risk management plan to stay ahead of evolving fraud threats.

3.6. State the Objectives of Fraud Risk Management

3.6.1. The objectives of fraud risk management are to

3.6.1.1. prevent,

3.6.1.2. detect,

3.6.1.3. and respond

to fraudulent activities within Peach Payments.

3.6.1.4. These objectives include protecting our assets, maintaining stakeholder trust, ensuring compliance with legal and regulatory requirements, and promoting an ethical culture within the organisation.

4. IDENTIFY KEY PLAYERS AND THEIR RESPONSIBILITIES

- **Executive Committee:** Provides strategic oversight and ensures resources are allocated for fraud prevention.
- **Accounting Officer:** Ensures compliance with financial regulations and oversees financial controls.
- **Risk Management Committee:** Monitors fraud risks and reviews the effectiveness of risk management strategies.
- **Management:** Implements fraud prevention measures and promotes an anti-fraud culture.
- **Risk:** Adhere to fraud prevention policies and report any suspicious activities.
- **Compliance:** Conducts regular reviews to identify and mitigate fraud risks.

5. WHEN TO REPORT FRAUD

If you suspect any fraudulent activity related to your Peach Payments account or transactions, please report it to us immediately. Even if you are unsure whether an incident constitutes fraud, it's always better to be on the side of caution and report any suspicious or unusual activity. Some examples of situations that warrant reporting include:

- **Unauthorised Transactions:** Any transactions on your account that you did not authorise or recognize.
- **Suspicious Account Activity:** Unusual patterns of activity on your account, such as sudden spikes in transaction volume, transactions from unfamiliar locations, or multiple failed login attempts.
- **Customer Disputes:** Customer claims of unauthorised charges, goods or services not received, or discrepancies in billing amounts.
- **Compromised Account Information:** Any indication that your Peach Payments account information may have been compromised, such as receiving phishing emails or unauthorised access attempts.
- **Data Breaches:** If you suspect that your customers' data may have been compromised due to a security breach.
- **Card-Not-Present (CNP) Fraud:** This occurs when the fraudster uses stolen card details to make online or over-the-phone purchases.
- **Card-Present Fraud:** Involves physical cards being used fraudulently, often due to theft or cloning.
- **Account Takeover:** A fraudster gains unauthorised access to a legitimate customer's account and conducts fraudulent transactions.
- **Friendly Fraud (Chargeback Fraud):** A customer makes a purchase and then disputes the charge with their bank, claiming it was unauthorised.
- **Refund Fraud:** Fraudsters purchase items with stolen cards and then return the items to receive a refund.

6. HOW TO REPORT FRAUD

We encourage all our merchants to report any suspicious or unusual activity to our Fraud team.

To report fraud, send an email to fraud@peachpayments.com. Include the following information in your report:

- Your merchant details and preferred contact information
- A detailed description of the suspicious activity
- Any relevant transaction details (e.g., dates, amounts, customer information)

6.1. Acknowledgement of Your Report

Upon receiving your report, our support team will acknowledge it **within 24 hours**. We will confirm receipt of your email and provide you with a case reference number for tracking purposes.

6.2. Immediate Actions

As soon as your report is acknowledged, we will take the following immediate actions:

- **Place relevant stops and holds** on the affected accounts and cards to prevent further unauthorised transactions.
- **Notify you of the steps** being taken to secure your business and mitigate any potential losses.

6.3. Investigation Process

If an investigation is required, please be aware that it may take up to 14 working days to complete. During this period, our fraud team will:

- Conduct a thorough review of the reported activity
- Gather and analyse relevant data and evidence
- Working with financial institutions and law enforcement, if necessary

If the investigation takes longer than 14 working days, our fraud team will inform you of the delay and provide the reasons.

6.4. Communication and Resolution

Throughout the investigation, we will keep you informed of the progress and any significant developments. Once the investigation is concluded, we will:

- Provide you with a detailed report of our findings
- Advise on any further actions that need to be taken
- Ensure any appropriate measures are implemented to prevent future incidents

For any urgent inquiries or additional support during the reporting and investigation process, you can reach out to our support team at fraud@peachpayments.com or 021 200 5877.

Our commitment is to work diligently to protect your business and resolve any fraud-related issues as swiftly and effectively as possible.

7. RECOVERY OF FINANCIAL LOSSES

We are committed to recovering any financial losses incurred due to fraud. This includes legal action against fraudsters and recovery efforts alongside our sponsoring banks/any other third parties involved. We work closely with our merchants to help recover losses, as well as providing support and guidance throughout the process.

8. PROMOTING AN ANTI-FRAUD CULTURE

Peach Payments promotes an anti-fraud culture by encouraging ethical behaviour and integrity, providing regular training and awareness programs, and recognizing and rewarding employees who contribute to fraud prevention.

9. REVISION HISTORY

VERSION	CHANGES	DATE MODIFIED	DATE APPROVED
1.0	First Version	18 July 2024	26 July 2024

Approvals

Document Owner	Risk Department
Approved by	Nadine Martin Juliette Thirsk