



BANKING
INSIGHTS
#4

FACILITATING SUCCESSFUL INSTANT ISSUANCE

Instant payment card issuance is appreciated for its efficiency to satisfy customer needs instantly. However, some banks still hesitate to utilize this method, due to concerns over the technical complexity and costs involved in insuring that the service will not compromise client data.

CARD ISSUANCE SOLUTIONS DELIVERED FROM THE CLOUD

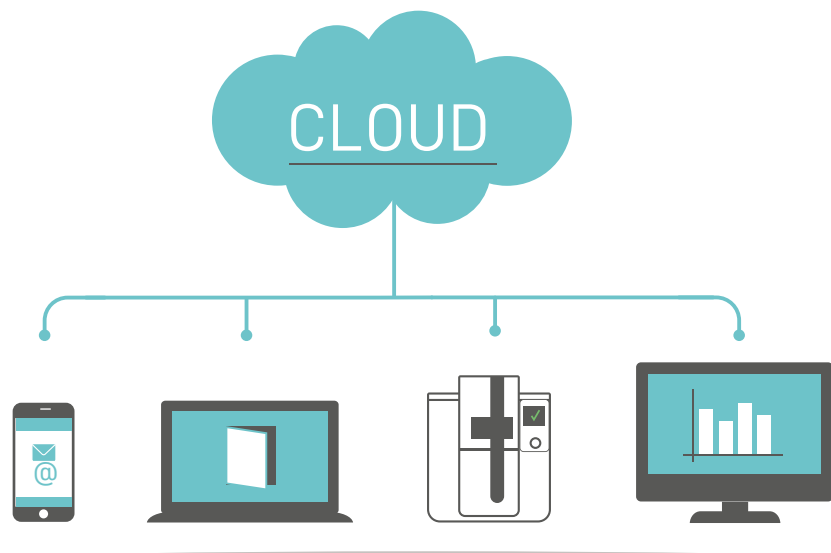
Before making a decision as to which issuance model to choose, bank management must consider the impact of the integration and operation of such a service on the organization:

How much human and material resources will the bank be able to extend? Which model will be the best choice for institution integration?

As EMV becomes more commonplace, the personalization process of payment cards now requires more complex steps such as EMV data preparation involving cryptographic processes as well as the utilization of dedicated hardware (servers, HSM) and additional software.

These elements can either be installed, operated and maintained internally at the financial institution, or remotely hosted, operated and maintained by a third party solution provider. SaaS (Software as a service) or Cloud service, will usually be the most prompt solution for financial institutions as the third party vendor manages all of the security compliance, installation, operation and support.

Financial institutions do not have to mobilize important internal IT resources to manage the integration of this service into their process. It is also an ideal way to introduce the service with limited initial investment, which makes it easier to test the service on a small scale. Once the service is proven successful, it can be scaled up easily to other branches and new card designs can be introduced into the instant issuance offer without impacting the institution's resources.





SMARTER AND MORE AUTONOMOUS CARD PRINTERS

Cloud instant issuance services can be supplemented with a card personalization solution that is designed to be fully driven from the cloud.

The majority of personalization systems available on the market require a physical computer with locally installed drivers that are able to communicate with remote services. Although this provides a uniform interface from which these services can operate, it also has some disadvantages:

It usually requires a dedicated computer for each issuance location, thereby incurring additional costs and further complexity regarding the hardware and the security management. Also, very often card printer drivers are only available for certain operating systems and will not work on others. Maintenance of the solution is more complex, especially when driver updates are required.

Some personalization systems are designed to be fully operated from the cloud, without requiring the installation of a local driver or having a dedicated PC in the branch. They usually embed a computing unit which produces a fully autonomous system in terms of operation and maintenance, by remotely and securely communicating directly to the cloud service. Although the systems incur additional costs over traditional card printers, they allow for a much simpler deployment and operation at the branch level.



CHOOSING A CARD ISSUANCE SYSTEM WITH HIGH SECURITY FEATURES

The key element of an instant card issuance service at a branch location is the card personalization system. This hardware is critical to the service as it will be handled by branch staff and delivers the final product to the end customer.

When choosing a card printer system, certain factors such as printing quality, reliability and ease of use will have a direct impact on the overall service aspect.

Managing security directly from the printer also reduces the technical complexity of such a solution.

LOCKING ACCESS TO CONSUMABLES

When implementing in-branch instant issuance, particular care must be taken to securely manage access to consumables. A used consumable such as a printing ribbon or a rejected card can contain sensitive card holder data which must be properly managed to avoid a security breach. Blank card consumables could also be fraudulently used to personalize counterfeit cards.

Access to these sensitive components is usually managed through additional security measures in the branch by installing the printer in a secured back-office room under video surveillance, only accessible to authorized personnel.

Some printers integrate electronic locks that completely secure access to those consumables once they are installed inside the printer. This allows for a more flexible and transparent setup in the branch as it can be used as a visible, over-the-counter system, while guaranteeing that sensitive elements are not accessible to non authorized personnel or end consumer. An electronic locking system keeps a log inside the printer of every access granted and can also set up dual access control requiring two different individuals to unlock the printer. This way, the systems can be utilized without requiring a dedicated secured area, which can be a challenge for smaller branches.





MASKING SENSITIVE DATA ON PRINT RIBBONS

Another embedded security function that simplifies the instant issuance process is ribbon data masking (or ribbon scrambling). Some printers will automatically erase or mask any residual sensitive data that can appear on used ribbons. The ribbon can no longer be used to retrieve sensitive information. Without this security feature, financial institutions have to securely handle and store used ribbons each time they are removed from the printer, and destroy them once they have been fully used. Destruction of the ribbons usually requires either purchasing specific certified shredders or collecting the ribbons and sending them to an external service for destruction. A ribbon masking feature on the card printer optimizes security while streamlining the handling of the ribbons.



OPT FOR MODULAR AND FLEXIBLE SYSTEMS

When implementing an instant issuance service, many financial institutions are taking a step-by-step approach; introducing the service to a limited number of branches, with a limited number of card products. This cost-effective approach helps confirm that the service is relevant to their end consumers. A cloud service allows for flexible scaling up should the financial institution choose to offer new card products or new issuance points. This flexibility however can only be fully leveraged if the original purchased systems can also be similarly scalable.

Particular attention should be paid to the following printer features which are capable of accommodating more than one card type.

INPUT HOPPER OPTIONS

Most entry level personalization systems only offer one input hopper, which allows for one type of blank/pre-personalized card to be used within the system. A cost-effective way of expanding on the type of cards that can be offered through instant issuance is to opt for printers that offer both automatic and manual card insertion. The automatic input hopper can be used to personalize the most common card stock, while the manual card insertion slot can be used to personalize exceptional card types without having to manipulate and replace the card stock already locked in the printer.

High-end systems usually offer multiple input hoppers, which allow for several blank or pre-personalized card designs to be personalized and printed with the same system. Although it provides additional flexibility, there might be limitations to the type of cards that can be personalized at the same time, for the simple reason that most systems only have one fixed ribbon type in the printer. With this configuration, financial institutions are limited to personalizing cards that are compatible with the loaded ribbon, which could pose a problem if the pre-personalized cards have very different backgrounds. For example, light or dark backgrounds cannot usually be personalized with the same ribbons, and require that the agent unlocks and securely replaces the ribbon – which defeats the purpose of having multiple hoppers.

UPGRADABILITY OF CARD PERSONALIZATION SYSTEMS

There are several reasons why a financial institution might want to upgrade the personalization capabilities of a system:

- The introduction of a new card technology (EMV, contactless)
- The introduction of a new card type requiring another technology (e.g. embossing).

Several personalization systems on the market are based on a modular approach, which allows for the addition of new features without requiring the systems to be fully replaced or sent back to factory for upgrades. This modular architecture makes it easier for financial institutions to develop new service options over time.

CONCLUSION

Choosing a SaaS/Cloud solution greatly reduces the complexity of launching an instant issuance service. In this context, institutions should focus on choosing equipment designed for this mode of operation, with features that support the need for sufficient levels of security, modularity, flexibility and personalization.

THE EVOLIS GROUP, THE WORLD LEADER IN INSTANT PAYMENT CARD ISSUANCE



- Headquarters and production site in Angers (France)
- Installed base of more than 310,000 card printers
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- More than 350 employees worldwide
- 400 official distributors in 140 countries
- ISO 9001 certified company

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Created in 2000, the Evolis group designs, produces, and markets a complete range of plastic card printing and customization solutions for the identification of people and property. With a presence on every continent, Evolis is now the world leader for plastic card printing solutions.

Having carried out many small to large-scale projects in various regions of the world and in highly diverse fields, the printing systems and expertise of Evolis are widely recognized by many companies and organizations.

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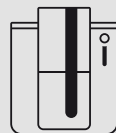
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