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Financial Institutions Ease Cardholder Frustration by Addressing Transaction False Declines with New Fiserv Technology

Island Federal Credit Union sees approved transactions increase with Authorization Lift

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv, Inc.](#) (NASDAQ: FISV), a leading global provider of payments and financial services technology solutions, today announced it has launched a unique offering designed to reduce the number of legitimate debit card transactions that are wrongly identified and declined as fraudulent, while effectively managing risk.

Authorization Lift from Fiserv enables financial institutions to strengthen cardholder loyalty and increase card usage by ensuring more genuine transactions are approved. The solution uses Fiserv developed and owned advanced proprietary analytics to shrink the number of false declines.

“Issuers should not have to choose between declining legitimate purchases and potentially damaging cardholder relationships or approving borderline transactions and experiencing higher fraud losses,” said Patrick Davie, vice president, Product Strategy, Card Services, Fiserv. “The advanced analytics of Authorization Lift help ensure more genuine transactions are approved, so cardholders can avoid the frustration and embarrassment of a declined transaction.”

Island Federal Credit Union, a financial institution with \$1.5 billion in assets and more than 48,000 Members, based in Hauppauge, NY, was looking to improve its false decline rates and agreed to be part of a pilot program for the Authorization Lift solution. Since joining the pilot program, the credit union has seen year-over-year approval rates improve by 2.55%, and has also seen an average of \$2,500 per day more in approved transactions.

“For 65 years, the focus on our Members’ financial well-being has led to strategic decisions that are always made in their long-term interests,” said Craig Booth, SVP, Technology and CIO, Island Federal. “Fiserv has helped us balance robust security with a better cardholder experience, allowing us to continue to provide the first-rate service that Island Federal’s Members demand.”

An [Aite Group report](#) projects that losses due to false declines will grow to \$443 billion by 2021 — an amount greater than the losses caused by the original issue of fraud. The Aite data also shows that as many as 62% of surveyed merchants reported their false decline rates have increased over the past two years. Separately, a Fiserv study suggests that 20%

of cardholders stop using their cards after experiencing more than one false decline within a six-month period. This dip in spend is over a six-month period after the last false-positive denial — suggesting that around 20% of cardholders may stop using the card altogether after a false decline.

In addition, the average monthly spending per card after two or more false positive denials drops by 15%, on average, over a six-month period after the last false-positive denial.

Fiserv works with each financial institution enrolled in Authorization Lift to create a uniquely tailored authorization strategy combined with a risk sharing program, so fraud exposure can be managed and mitigated. By offering risk sharing, Fiserv demonstrates its confidence in its authorization management strategies, powered by machine-learning, and the proven partnership it has with its clients.

In a world moving faster than ever before, Fiserv helps clients deliver solutions in step with the way people live and work today – financial services at the speed of life. Learn more at [fiserv.com](https://www.fiserv.com).

Additional resources:

- Authorization Lift: <https://fisv.co/AuthorizationLift>

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, the company helps clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud-based point-of-sale solution. Fiserv is a member of the S&P 500® Index and the FORTUNE® 500, and is among FORTUNE World's Most Admired Companies®. Visit [fiserv.com](https://www.fiserv.com) and follow on [social media](#) for more information and the latest company news.

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Media Relations:

Mark Jelfs
Manager, Public Relations
Fiserv, Inc.
414-218-4019
mark.jelfs@fiserv.com

Additional Contact:

Ann S. Cave
Vice President, External Communications
Fiserv, Inc.
678-325-9435
ann.cave@fiserv.com

Source: Fiserv, Inc.