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Keep card-on-file and recurring payment data current to increase approvals

MASTERCARD® AUTOMATIC BILLING UPDATER

Consumers are storing their account information online in more ways via mobile and digital wallets. Mastercard Automatic Billing Updater (ABU) helps card-not-present (CNP) merchants maintain the continuity of card-on-file and recurring payments, increasing customer satisfaction and reducing customer attrition due to payment disruptions.

Failed transactions impact everyone when accounts aren't updated

Customers with account-on-file payment arrangements face service disruptions when their card expires or account information changes. For merchants, these payment declines can increase the risk of customer attrition, compromise sales and potentially increase direct and indirect expenses from customer service calls. Account changes inconvenience customers and can affect their relationship with merchants.

33%

Average card-not-present merchant declines that can be reduced by ABU.[1]

Reducing CNP declines for a positive cardholder experience

By efficiently maintaining the accuracy of customer account data, ABU helps prevent transaction decline disruptions due to account changes. It extends the life of card-on-file and recurring payment arrangements and helps secure these ongoing, revenue-generating relationships–enabling merchants to protect their customer relationships.
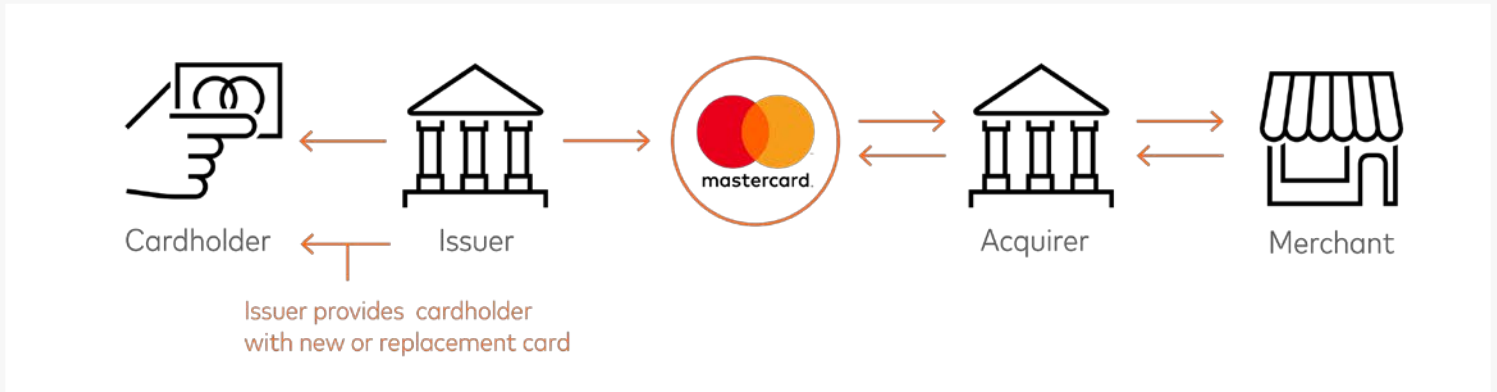
ABU can help merchants:

- Reduce customer attrition risk and enable a better customer experience
- Reduce CNP transaction declines and associated operational and service costs
- Improve funds collection to deliver uninterrupted payments

1.MASTERCARD ANALYSIS OF TOP 200 CNP MERCHANTS; 2015..

ABU helps maintain account updates for card-on-file and recurring payments

Cardholder — Issuer — mastercard — Acquirer — Merchant

Issuer provides cardholder
with new or replacement card

1. Participating issuers submit their account changes to the ABU database.

2. Registered card-on-file / recurring payment merchants submit their stored account data through their acquirer prior to authorization.

3. Acquirers submit the account data inquiries to the ABU database.

4. Mastercard processes merchant account inquiries against issuer-reported account changes and returns results to acquirers.

5. Acquirers return updated account records to their merchants.

6. Merchants update their files with the changed account information and use it for future CNP transactions.

Best practices to reduce CNP transaction declines

Accessing ABU directly is quick and efficient for card-on file and recurring payment merchants, enabling inquiries and updates closest to the time of the transaction to help reduce preventable declines caused by changed account numbers and expiration dates. Mastercard enables flexible ABU updates via two methods:

ABU Acquirer Request Bulk File

Mastercard strongly recommends using the bulk file on a regular basis as the primary method for updating stored accounts prior to authorization.

ABU API

As a secondary ABU account inquiry method, Mastercard recommends using the API to see if an ABU account update is available before re-trying a declined transaction.

For more information or to learn how to implement ABU, contact your acquirer, processor, or service provider, or visit the "For Merchants" section of mastercard.com.

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