Streamlining account lifecycle management for credential-on-file and recurring payments

Consumers are storing their account information online in more ways via mobile and digital wallets. Mastercard Automatic Billing Updater (ABU) enables issuers and acquirers to securely communicate account changes for credential-on-file and recurring payments to merchants—increasing approvals of card-not-present transactions and boosting customer satisfaction while reducing customer service demand.

Failed transactions impact everyone when accounts aren't updated

Once cardholders setup credential-on-file and recurring payments for their card, they simply expect them to work. One of the main reasons cardholders switch payment methods is in response to service disruption when their card expires or their stored account information changes. This disruption is usually perceived as a sign of poor customer care from the issuer.

73% of U.S. consumers used **a non-card payment or a different card** after a false decline, and 15% did not complete the purchase at all[1]

Reducing CNP declines for a positive cardholder experience

By efficiently maintaining the accuracy of customer account data, ABU prevents transaction disruptions due to account changes. It extends the life of credential-on-file and recurring payment arrangements and helps secure ongoing, revenue generating relationships, enabling issuers to protect their preferred payment method position. ABU also helps reduce processing and customer service costs by driving operational efficiency, cardholder satisfaction and loyalty.

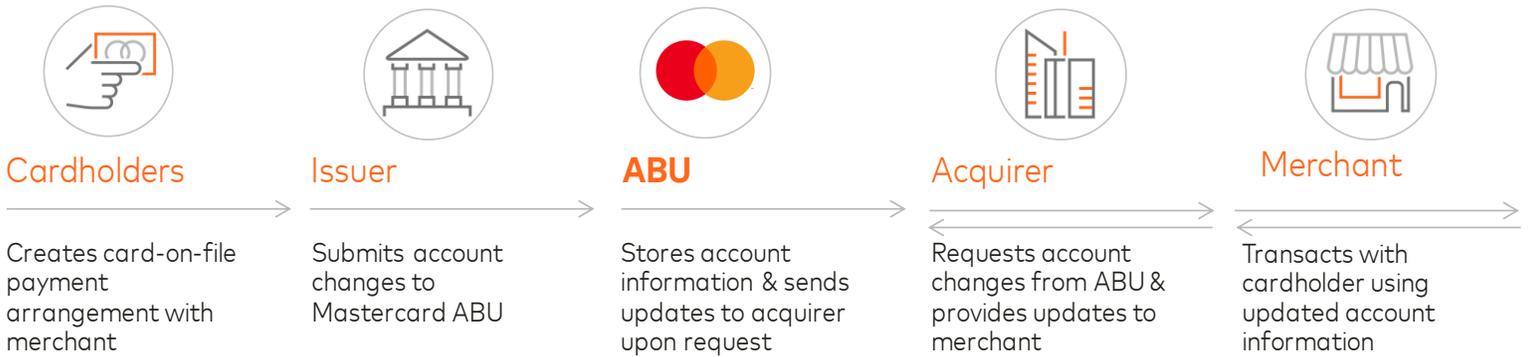## Supporting a broad range of account changes:

- Brand flips
- Portfolio sales
- Expiration date changes

- Reissued cards due to fraud, card upgrades or new programs
- Lost/stolen cards
- Closed and new account notifications

1. Javelin, "Addressing The Threat Of False Positive Declines," 2018 (U.S.)

Reduce preventable declines and ensure a positive cardholder experience when credential-on-file data changes

Issuer
- Supports top-of-wallet status
- Prevents payment conversion to check or other card
- Reduces customer service demand

Acquirers
- Helps increase revenue opportunities
- Increases merchant satisfaction
- Helps decrease service costs

Merchants
- Reduces customer attrition risk
- Reduces CNP transaction declines, operating and processing costs
- Improves funds collection; helps deliver uninterrupted payments

Cardholders
- Enables a better customer experience and greater convenience
- Helps ensure on-time bill payment
- Prevents late fees and service disruption

ABU helps issuers securely communicate account updates to credential-on-file and recurring payment merchants.

Cardholders

Issuer

ABU

Acquirer

Merchant

Creates card-on-file payment arrangement with merchant

Submits account changes to Mastercard ABU

Stores account information & sends updates to acquirer upon request

Requests account changes from ABU & provides updates to merchant

Transacts with cardholder using updated account information

Six easy steps to implement ABU

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

2. Registered merchants submit their account data to their acquirer prior to authorization

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

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

5. Acquirers return updated account records to their merchants

6. Merchants update their files with the changed account information

ABU delivers flexibility and security, with processing options that merchants/partners can take advantage of. Mastercard state-of-the-art transmission technologies ensure proper data distribution.

For more information or to learn how to implement ABU, contact your Mastercard representative, reference the ABU section on Mastercard Connect® (Select Library/ References/ Products & Services/ Card-Not-Present Services/Automatic Billing Updater), **or email: abu_helpdesk@mastercard.com.**