

# Gain actionable insights into financial risk exposure from T&E merchants

T&E RISK MONITOR



The global T&E ecosystem is in turmoil, especially in the wake of recent global crises. Acquirers and merchants face greater risk and financial challenges stemming from a lack of automated shared communication of data pertaining to their financial situations, transaction volume, customer behavior and operational issues. T&E Risk Monitor gives acquirers the critical insights to understand and mitigate their financial risk exposure from T&E merchants.

## Strain placed on the global T&E ecosystem requires closer working relationships between acquirers and merchants

T&E acquirers face unprecedented financial risk exposure from Deferred Delivery Merchants (DDMs). Long settlement periods between reservation and service delivery make it difficult to obtain information, leaving acquirers unaware of potential merchant collapses and increasing their liability from merchant failures and losses created by vouchers, chargebacks and invalid booking.

T&E merchants (airlines, travel agencies, etc.) are also struggling with delayed service delivery. Lack of insight into their current risk exposure limits merchants' flexibility in selecting acquirers and negotiating payment terms. And exacerbated acquirer onboarding processes increase required due diligence for financial health and risk exposure.



Even before the COVID-19 pandemic, Deferred Delivery Merchants were at risk of going insolvent each year – **46 carriers went insolvent in 2019**.<sup>1</sup>

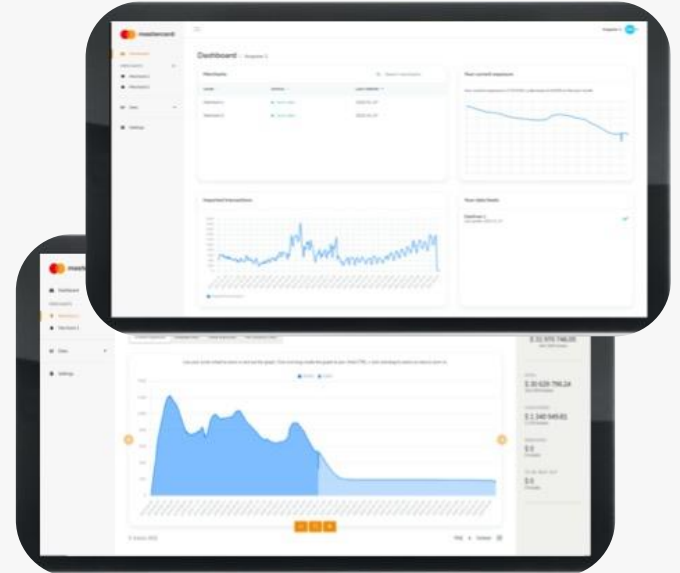
In 2019, a global travel company created **\$200M liability** for one of its acquirers.<sup>2</sup>

# Mastercard and Actuary partner to provide critical risk insights that help to mitigate your financial risk exposure

T&E Risk Monitor combines secure payment, booking and service data to provide you with greater end-to-end visibility into merchant payments. Actionable insights into booking and payment status help you to better assess travel risk and improve cashflow for travel (air, hotel, car rental, etc.) merchants. Data-driven decisions enable you to appropriately and confidently manage and release funds to travel merchants, ultimately protecting you against increased financial risk while supporting greater liquidity for the travel sector.

**Only T&E Risk Monitor** establishes an ecosystem of trust with meaningful data insights from Mastercard, T&E merchants and acquirers to provide greater transparency into real-time booking and trip status through a simple, interactive view of historical, current and future merchant data that informs optimal risk-based decisions.

- 1 Determine merchant risk level exposure at-a-glance
- 2 Search specific merchant transactions
- 3 View transactions submitted by merchants over time
- 4 Utilize reporting, alerts and rule-setting functionality
- 5 View risk over time organized by exposure type



## Collaborating toward a more resilient travel ecosystem



### Reduce acquirer financial risk exposure

**More data, more knowledge.** Provides greater awareness of financial risk for more informed decisions over payment portfolios.



### Satisfy requirement to monitor DDMs

#### Compliance with Mastercard Rules.

Allows acquirers to efficiently adhere to Mastercard rules to monitor DDMs.



### Improve data delivery efficiency

**Monitoring made easy.** Improves efficiency with less time and resources to manually provide data to Mastercard.



### Improve transparency of merchant data

#### Consolidated merchant data.

Supports merchant claims for fairer payment terms with acquirers.

## Getting started is simple

No coding is required. Acquirers access T&E Risk Monitor within Mastercard Connect® and agree to terms and conditions of usage. Acquirers work directly with Actuary to organize the data exchange.

**For more information, contact your Mastercard account representative.**