Farmers & Merchants Bank Implements CPI Card Group’s Card@Once® Solution

Community Bank Minimizes Disruption from Data Breach with Instant Card Issuance
OVERVIEW

Challenge
Farmers & Merchants Bank, serving 4,000 checking accounts, sought to move at the speed of its customers with a rapid response card-issuing solution in the event of a data breach. Serving four northeast Indiana locations, the private community bank also required a solution that adhered to EMV®-conversion security standards.

Solution
Farmers & Merchants Bank adopted CPI Card Group’s instant issuance solution, Card@Once®, which allows the bank to print and issue EMV-equipped cards to customers directly from branch locations within minutes.

Results
After experiencing a second data breach in February 2017, Farmers & Merchants Bank was ready and able to rapidly reissue 798 EMV-enabled debit cards to customers with affected accounts. As of May 2017, within four months of implementing CPI’s instant issuance solution, the bank printed a total of 1,189 EMV-enabled debit cards across its branches.

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BACKGROUND

Farmers & Merchants Bank is a private community institution founded in 1914 in LaOtto, Indiana. Today, the bank is proud to be an independent community bank serving thousands of customers across four branches in northeast Indiana. Farmers & Merchants Bank has always been deeply committed to prioritizing customer experience as they serve their neighbors.

In July 2016, Farmers & Merchants Bank experienced a data breach impacting more than 1,000 accounts, with many customers waiting over a week to receive new debit cards. The bank realized it must implement a scalable solution to print and issue moderate to high card volumes onsite in the event of another breach to preserve and protect the integrity of its reputation and its customers.

> THE CHALLENGE

Over the weekend of July 4, 2016, approximately a thousand of Farmers & Merchants Bank customers fell victim to a data breach at a big-box retailer, leaving their debit cards compromised. Upon noticing suspicious charges on customer cards and quickly assessing the situation, the company followed protocol, the last step replacing all customer cards.

Lacking an instant issuance solution, Farmers & Merchants Bank reissued 1,000 cards the conventional way – centrally issued and delivered via mail. Customers waited the traditional 7-10 business days to receive their cards, disrupting overall card usage, while the bank absorbed both printing and mailing costs of card and separate PIN mailers.

Feeling the loss of interchange revenue over the course of those days coupled with the cost of replacement motivated the bank to seek an instant solution – one that would exceed customer expectations and solidify their stance in the community as the financial institution that provides an immediate response when customer account integrity is at risk.
> TRANSITION TO CPI CARD GROUP’S CARD@ONCE® SOLUTION

The Card@Once® solution supports on-demand printing and issuance of debit cards, allowing customers to visit any branch and immediately receive a new, ready-to-use card upon request. Card@Once® provided Farmers & Merchants Bank with a cost-effective, technical edge over local competitors with its Software-as-a-Service (SaaS) model eliminating the need for staff maintenance. This means banks of all sizes and branch numbers can have access to next generation card-printing technology and services equipped with latest EMV card security standards – and can choose to implement the solution at one or more locations, based on their needs.

Farmers & Merchants Bank adopted Card@Once® in January 2017 and worked closely with CPI Card Group to provide each branch with a desktop payment card printer. The Card@Once® implementation process was seamless, as Farmers & Merchants Bank found the plug-and-play desktop printers easy to install, intuitive to operate, and easy for staff to use with little training.

Once a customer’s card information is entered and a card design is selected, the card data is encrypted, transmitted for processing to CPI, and returned to the printer where the card is programmed and printed in seconds. As a result, Farmers & Merchants Bank customers walk out of the branch with their new card in-hand.

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RESULTS

Just six months after the breach that led Farmers & Merchants Bank to implement an instant issuance solution, it was hit by a second data breach in February 2017. The bank contacted all affected customers to inform them of card deactivation and the forthcoming receipt of a new card with EMV® chip, the new security standard that had not previously been rolled out to any customers.

Turning lemons into lemonade, Farmers & Merchants Bank reprinted and reissued all 798 compromised cards, most within 24 hours and simultaneously migrated all of their customers to EMV, increasing the security of each and every customer account with the implementation of a chip card program. With the expedited, onsite issuance, Farmers & Merchants Bank also saved approximately one dollar for every card printed. Not only was disruption to card activity minimized given the immediate availability of newly printed replacements, but Farmers & Merchants Bank also found their customers appreciating the security and sleek look of their new EMV-chip cards, likely contributing to interchange revenue growth and enhanced customer experience for the bank.

REACTION

Robin Lepper, CIO/CTO, Farmers & Merchants Bank, attributes much of Card@Once®’s value to the “happiness and satisfaction it brings to customers.” She adds that, “customers are thrilled and impressed when they learn that we can print their cards right away. They’re also pleased with the look and feel of the new EMV cards, which can contribute to more frequent use and a top-of-wallet position.”

Lepper also notes, “Our customers who have received cards from the Card@Once® system like knowing that we are able to instantly issue chip cards, particularly given the high level of security EMV provides. Card@Once®’s EMV and instant issuance capabilities are helping us establish ourselves within our community as the bank of choice – one that can provide unparalleled, on-demand convenience to our customers.”

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For more information on Card@Once®, CPI Card Group’s instant issuance solution, visit: https://www.cardatonce.com
For more information about Farmers & Merchants Bank, visit: https://www.fmfbank.com/

About CPI Card Group

CPI Card Group is a leading provider in payment card production and related services, offering a single source for credit, debit and prepaid debit cards including EMV chip, personalization, instant issuance, fulfillment and mobile payment services. With more than 20 years of experience in the payments market and as a trusted partner to financial institutions, CPI’s solid reputation of product consistency, quality and outstanding customer service supports our position as a leader in the market. Serving our customers from ten locations throughout the United States, Canada and the United Kingdom, we have the largest network of high security facilities in North America, each of which is certified by one or more of the payment brands: Visa, MasterCard, American Express, Discover and Interac in Canada. Learn more at www.cpicardgroup.com.