

## No Business Case for Chip Technology in the U.S.

While most developed markets are migrating to some type of EMV chip-based card system, analysts at Javelin Strategy and Research do not expect the United States to follow suit, citing an already robust magnetic stripe infrastructure and escalated implementation costs as primary barriers to adoption of this global trend.

“It is difficult to make the case for EMV migration based solely on the re-

sulting reduction in fraud,” says Bruce Cundiff, director of payments research and consulting. “There is a lack of an immediate security-related ROI, and the return that is generated would not be realized by those making the bulk of the investment.”

Continued fraud losses—even after implementation—and the costs associated with POS terminal deployment, card issuance, and retrofitting or replacing bank-owned ATMs abate the case for U.S. acceptance, he adds.

Barring any “drastic changes to the costs of the EMV model or new legislation or mandates,” the firm advises EMV is not “a viable solution in the U.S. now or in the near future.”

