**Can an Internet Merchant ask for a photo ID & copy of front & back of credit card?**

There are many misconceptions regarding this topic and below is an attempt for clarification.

**-It is illegal for a merchant to ask for this information?**

“Illegal” is a strong word. The more likely question is does it violate and Card Association Regulations? And of course is it illegal? A call by a cardholder to one of the card associations or their card issuing bank will get various answers from the person answering the phone who is in most cases an entry level phone rep.

First of all the most important point is all the alleged violations that cardholders point out refer to rules regarding in person retail swiped sales at the POS or credit card terminal. Below are the card associations’ regulations regarding swiped sales. Keep in mind the newer regulations regarding swiped sales refers to store clerks, etc. writing information down and/or photocopying info. But it is not uncommon for transactions other than conventional swiped transactions for a cardholder to provide an Driver’s License. Ever rent a car?

**For Swiped Retail Sales**

**Visa** rules do not preclude merchants from asking for cardholder ID, merchants cannot make an ID a condition of acceptance. Therefore, merchants cannot refuse to complete a purchase transaction because a cardholder refuses to provide ID. Visa believes merchants should not ask for ID as part of their regular card acceptance procedures.

**MasterCard** takes a different approach to the situation…

For unique transactions processed in a face-to-face environment (with the exception of truck stop transactions and card-read transactions where a non-signature CVM is used), request personal identification of the cardholder in the form of an unexpired, official government document. Compare the signature on the personal identification with the signature on the card.

**American Express** is a little vague, but still states that the identity should be verified…

Verify that the customer is the Card-member. Cards are not transferable.

[**Discover**](http://www.creditcards.com/Discover.php) does not prohibit a merchant from asking for such information. However, if your purchase is flagged for suspicion of fraud at the register, or merchants have reason to suspect you are not the authorized card holder, they may ask for ID.

**-STATES THAT PROHIBIT RECORDING OF PERSONAL INFORMATION FOR RETAIL SALES**

The following states prohibit merchants from recording certain personal information in connection with credit card transactions:

* California
* Delaware
* Georgia
* Maryland
* Massachusetts
* Minnesota
* Nevada
* New Jersey
* New York
* Pennsylvania
* Washington, DC
* Wisconsin

**-“California just passed a law prohibiting this”**

**2d. Summary of California Merchant Laws** (California Civil Code § 1747.08). ([*Song*-Beverly Credit Card Act of 1971](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=civ&group=01001-02000&file=1747-1748.95))

Here is a summary of California laws regarding payments to merchants by credit card and by check:

|  |  |  |  |
| --- | --- | --- | --- |
| **Any person or business establishment**….. | **is prohibited from**..... | **but may require**..... | **Consequences of violating this prohibition**..... |
| accepting a credit card for the transaction of business | writing or recording personal information on any form used in the transaction. This includes but is not limited to address, telephone number and Social Security number. | showing a California driver's license or ID card [provided the information on these documents is not written or recorded on any form] | civil penalty of up to $250 for the first offense and $1,000 for second or subsequent offense.  Section 1747.08, California Civil Code |

**Internet and Mail Order Telephone Order Merchants should keep in mind that when a merchant does receive ID info from a cardholder they should keep in mind to adhere to all PCI requirements regarding storage and access of sensitive documents.**

