

Why merchants still require signatures for credit card buys when it's not needed

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Are you still signing for credit card purchases? In most cases, you don't have to be.

More than seven months ago the four major credit card issuers—MasterCard, Visa, American Express, and Discover—separately announced that they no longer required customers to sign for their purchases on any transaction, regardless of size.

The decision was a long time coming. Back in the day, validating a signature was the primary way a [merchant](#) could protect against a fraudulent transaction. Today, billions of transactions take place online and the ones that do occur in a store or restaurant use EMV chips and other methods like contact-less devices, biometric readers and PINs that provide a much stronger deterrent against fraud. So much so that, according to Visa, merchants who have been accepting EMV chip-enabled cards have seen a 75 percent drop in counterfeit transactions since they were introduced back in 2015.

"You don't have to sign for your purchases unless the merchant requires it," Linda Kirpatrick, who is the Executive Vice President in charge of Merchants and Acceptance in the U.S. for MasterCard told me. "It doesn't matter to us either way."

Kirpatrick said that when the announcement to not require signatures was first made, many merchants were "incredibly thrilled" because it gave them the ability to increase the speed and efficiency of a sale and save on paperwork. MasterCard is even so going so far as to eliminate the little signature strip on the back of its most recently issued cards as well.

Unfortunately, it seems that not all merchants have gotten the memo. In an unscientific survey that I conducted recently, almost all of the center city merchants I visited—from the Rittenhouse-area bakery to the neighborhood grocery store—still required me to sign for my purchases as part of the payment process. It's annoying, and it prolongs the transaction. Why are these merchants still making me and others do this?

There are two explanations.

The first is that some merchants—particularly restaurants—want us to keep signing for our purchases. Unlike most restaurants in Europe, when you eat out in Philly you're not given a point of sale device at the table where you can insert your card, enter a tip and approve the transaction. You're still left with a paper receipt where you're expected to manually add a tip and sign-off. That's the process and it's unlikely to change anytime soon.

Other shops—like a pharmacy, hotel, jewelry store or rental car agency—may have your signature built into the overall approval process for the products or services you're buying.

But that still doesn't explain the grocery store or the bakery. Which brings me to reason number two: most merchants, particularly small business owners like them, are just being cheap ... and a little lazy. All they would need to do to eliminate the annoying signature process would be to change their point of sale systems. But they don't because it would potentially require software upgrades, potential hardware replacements, disruptions and other possible headaches.

Many of my clients think—incorrectly in most cases—that there would be additional costs involved and have therefore chosen to ignore the new signature rule. If it ain't broke, why fix it? Even Kirpatrick admits that it's going to take some time for the ten million merchants in this country to come around.

So here's my advice. If you're a merchant just know that you don't have to be requiring a signature and you may be irritating your customers by doing so. If you're a consumer it doesn't make a difference whether you sign that receipt or not—there's no added fraud protection other than what your credit card company already provides. You can raise a fuss or

just politely mention it to the [store](#) manager. Or better yet just move on and add it to that list of little annoyances that will eventually go away over time.

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