

How Have Travel Payments Changed With COVID?



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T&E Risk Monitor



ae actuary



The travel ecosystem faces unprecedented financial risk exposure due to global challenges



Even prior to COVID, Deferred Delivery Merchants as well as their acquirers were at risk:

- 46 carriers went insolvent in 2019¹
- 1 acquirer failed due to the high exposure on a travel merchant causing big issues as well to other travel merchants



In 2019, a global travel company created \$200m liability for one of its acquirers²

T&E Transaction Model

DDM transactions involve a time delay between consumer payment and service, commonly experienced across the travel industry

Consumer



Issuer



Acquirer



T&E Deferred Delivery Merchants

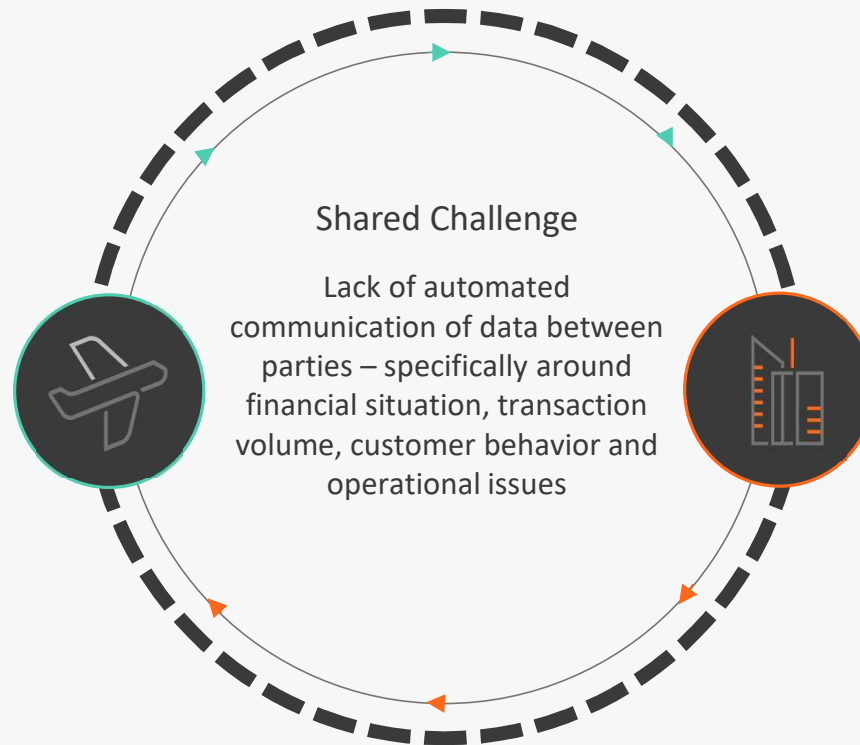


1. CNBC: OVER 40 AIRLINES HAVE FAILED SO FAR THIS YEAR – AND MORE ARE SET TO COME. 2020.
2. THE GUARDIAN: WHY DID THOMAS COOK COLLAPSE AFTER 175 YEARS IN BUSINESS? 2020.

Strain in the global T&E ecosystem....requires closer working relationships between acquirers and DDMs

Travel Merchants face...

- Inability to fulfill transactions and delayed service delivery
- Lack of insight into their current risk exposure which limits merchants' (airlines, car rental, etc.) flexibility in selecting acquirers and negotiating payment terms
- Exacerbated acquirer onboarding processes increase required due diligence for financial health and risk exposure



Travel Acquirers face...

- Long settlement periods between reservation and service delivery make it difficult to obtain information
- Lack of awareness of potential merchant collapses, increasing their liability from merchant failures and losses created by vouchers, chargebacks and invalid booking

SOLUTION

Mastercard and Actuary partner to provide all travel players with critical risk insights that help mitigate their financial risk exposure and support travel sector liquidity

T&E Risk Monitor combines secure payment, booking and service data to provide acquirers with greater end-to-end visibility into merchant payments.

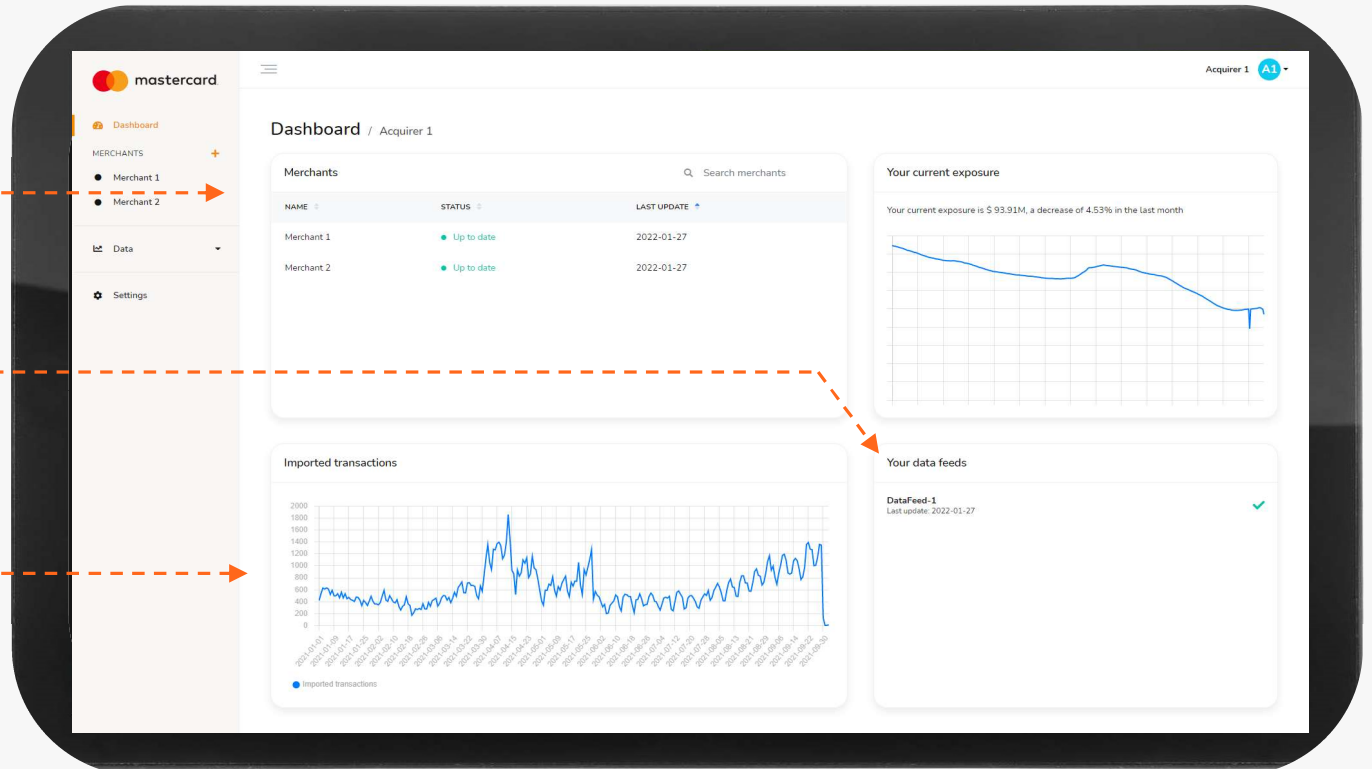
Actuary is a fintech company that provides a highly secure communication platform for open transaction and voucher reporting between DDMs and acquirers. They are the trusted 3rd party providing transparent risk reports to acquirers and merchants and have 12+ years experience in the field of data handling, payments and travel.

With a vision to enhance trust and transparency in the travel ecosystem, Actuary provides the most accurate, timely and complete risk exposure insights.



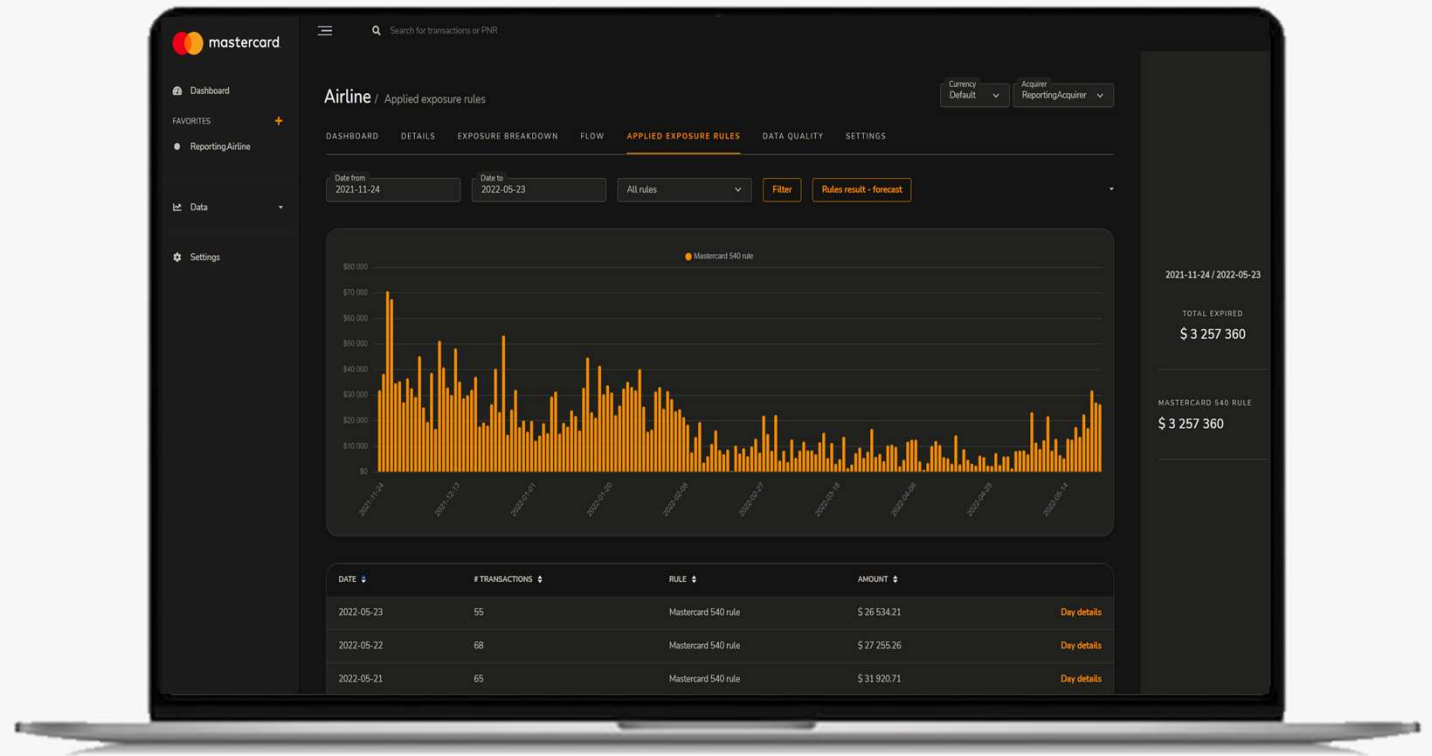
Greater transparency into real-time booking and trip status to better assess financial risk exposure from DDMs

- ✓ Determine merchant risk level exposure at-a-glance
- ✓ Search specific merchant transactions
- ✓ View transactions submitted by merchants over time
- ✓ Utilize reporting, alerts and rule-setting functionality

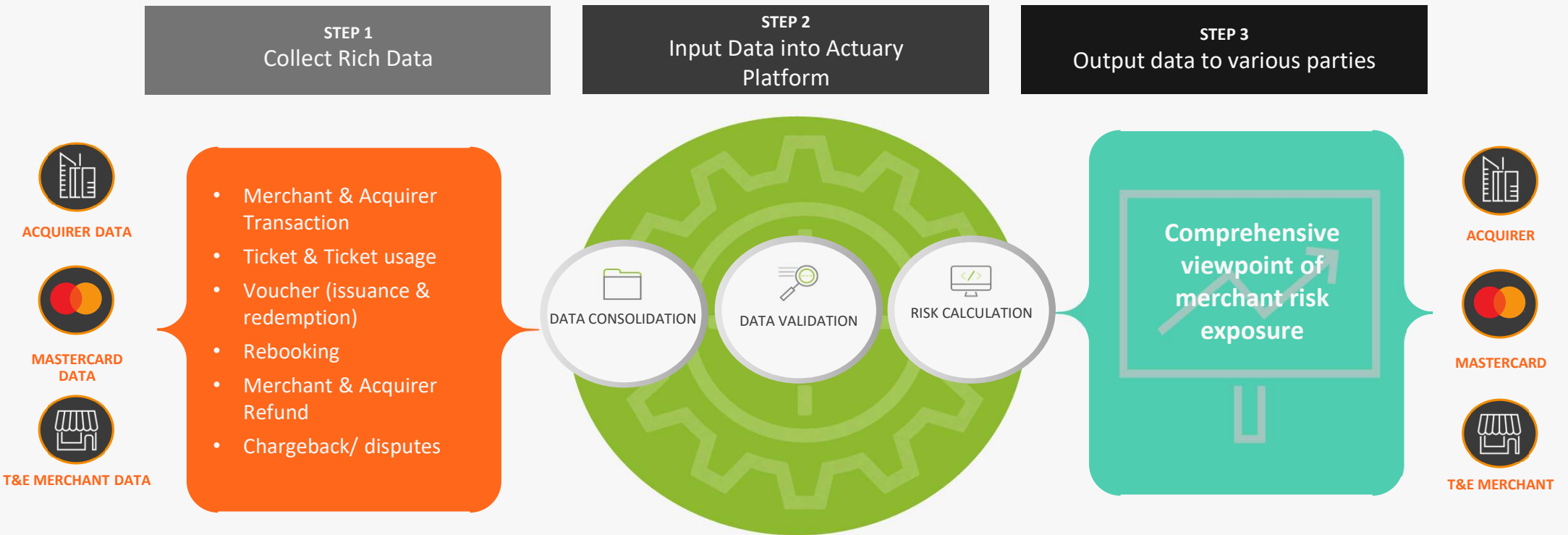


A simple and interactive way for travel merchant to view historical, current and future data

- ✓ No further need to periodically submit customized reports to acquirers
- ✓ Negotiate better settlement and collateral terms with acquiring partners
- ✓ Visualize sales volumes per acquirer
- ✓ View risk over time organized by exposure type
 - Flights Flown
 - Refunds
 - Vouchers
 - Expired
 - Chargebacks



Establishing an ecosystem of trust with meaningful data insights from Mastercard, T&E merchants and acquirers



For the travel sector to recover and grow, it is essential that we establish an ecosystem of trust where organizations have access to insights that increase end-to-end visibility and enable payments to flow with confidence.

Evolving capabilities to drive sustainable recovery and growth for the travel industry

2022



AIRLINES



TRAVEL AGENCIES

BEYOND

Extending to additional segments



HOTEL CHAINS



CAR RENTALS



CRUISE LINES



CONCERTS/
EVENTS



RAILWAYS



TOUR OPERATORS

Getting started is easy



DDMs are incentivized to integrate their data directly in the Actuary platform, enabling T&E Risk Monitor to provide meaningful risk insights.



Simple Enrollment

- Request 'T&E Risk Monitor' from MC Connect Store
- Sign Terms & Conditions
- Sign consent form



Data Exchange

- Work with Actuary to organize the data exchange



Easy Access

- Access T&E Risk Monitor on the Actuary platform via Mastercard Connect single sign-on



Let's get started!

For more information, please contact your Mastercard representative.



Rise

2022



WORLDLINE