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Happy Valentine's Day – But No Flowers

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It was a sad Valentine's Day for many in the U.K. this year. The financial transaction network of Global Payments, Inc., one of the country's largest card-processing firms, suffered an outage on the afternoon of Friday the 13th, leaving shops, restaurants, and bars unable to accept chip-and-pin card payments. The outage lasted for 30 hours until Saturday evening, Valentine's Day. Global Payments blamed the outage on a terminal network service provider.



Diners were turned away from restaurants unless they could pay in cash. Husbands couldn't buy their wives chocolates for Valentine's Day nor order flowers for them over the phone.

This was one of the busiest weekends of the year. Many merchants reported revenue loss in the order of tens of thousands of pounds. A number of merchants have demanded compensation from Global Payments, though there is no indication that Global Payments will honor these requests.

Some businesses honored card transactions by taking customer card details manually for later entry. If a merchant was lucky enough to still have card imprinters to manually swipe card information onto a paper form, this was simply a return to earlier times. Many merchants spent all day Sunday entering these transactions into the Global Payments network once it returned to service.

Throughout the outage, Global Payments posted advice via its Twitter feed. One suggestion was to try to connect the card terminals to land lines. This solution often did not work.

A major complaint of merchants was that Global Payments' call centers closed at 5 PM. Many merchants at first thought that the problem was localized to their establishment. There was no way for a merchant to get direct information concerning the outage from Global Payments Friday evening.

Service was finally restored at about 6:30 PM on Saturday afternoon, too late for the Valentine's Day rush. Following service restoration, Global Payments issued a statement saying:

"On Friday 13th February, we began experiencing difficulties with transaction processing for some of our customers. This issue related to a terminal network service provider and was fully resolved yesterday. Global Payments understands the inconvenience that this and any such outage causes, and we offer our sincere apologies to all our customers who were affected."

This incident shows the importance of disaster-recovery planning, even for small businesses. Every business should know what it is going to do if it can no longer take credit cards. Will it take checks? Does it have a manual card imprinter? Will it trust customers with an IOU? If it is a major store with multiple checkout lanes, a subset of the checkout lanes should be equipped to handle this situation.

One alternative might be to have a few POS (point-of-sale) terminals from a second card processor. The additional cost of these terminals might be insignificant compared to being out of business for several hours.

This outage shows the importance of the availability of financial-transaction systems. We have become such a culture of the cashless society with our payment cards that if this capability is lost, much of our commerce comes to a standstill. That is why the bulk of financial-transaction systems are built with fault-tolerant systems such as HP's NonStop servers and are often implemented with an active/active architecture to achieve six 9s of availability and beyond.

Though not adopted in the U.S. yet, chip-and-pin cards are used around the rest of the world and provide a significantly increased level of security than the old magnetic stripe cards. However, that additional security is worthless if the cards cannot be used because of a network outage.

Acknowledgements

The information for this article was taken from the following sources:

Businesses lose thousands of pounds after chip and pin card system network crashed for 30 hours, *Daily Mail*, February 15, 2015.

Customers told to pay in cash as chip and pin problems cause havoc for businesses on Valentine's Day weekend, *Bristol Post*, February 15, 2015.